COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2020

City of Sachse, Texas

As Prepared by
The Finance Department

" Sachse is a tranquil community welcoming the future while offering a safe and enjoyable quality of life to all those who call Sachse home."

The City of
SACHSE

City of Sachse, Texas

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September 30, 2020

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The City of
SACHSE

INTRODUCTORY SECTION

The City of
SACHSE

The City of SACHSE

February 10, 2021

Honorable Mayor, City Council and Residents of Sachse

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) for the City of Sachse, Texas, for the fiscal year ended September 30, 2020. The CAFR is provided to give detailed information about the financial position and activities of the City to the residents, City Council, staff, and other readers.

Management assumes full responsibility for the completeness and reliability of information contained in this report, based upon a comprehensive framework of internal controls that is established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

BrooksWatson & Company, PLLC has issued an Unmodified ("clean") opinion on the City of Sachse's financial statements for the year ended September 30, 2020. The independent auditors' report is located at the beginning of the financial section of the CAFR.

This letter of transmittal is designed to complement Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements.

PROFILE OF THE GOVERNMENT

The City of Sachse, incorporated in 1956, is located in Dallas County and Collin County, Texas, 20 miles northeast of downtown Dallas, on State Highway 78 and currently occupies a land area of 9.8 square miles. The City's population is 25,040, according to the 2020 North Central Texas Council of Governments estimate.

The City Council is comprised of a Mayor and six council members, and is responsible for enacting ordinances, resolutions, and regulations governing the City, as well as, appointing the members of various statutory and advisory boards, the City Manager, City Attorney, City Secretary, and Municipal Judge. The City Manager is the chief administrative officer of the government and is responsible for the enforcement of laws and ordinances, the appointment and supervision of the department heads, and the performance of functions within the municipal organization.

The City of Sachse provides a full range of services including police, fire, emergency ambulance service, library, parks, recreation, sewer, engineering, streets and infrastructure, community development (planning and zoning), and general administrative services.

The financial reporting entity (the government) includes all funds of the primary government (i.e., the City of Sachse, as legally defined), as well as, all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Discretely presented component units are legally separate entities and not part of the primary government's operations. The Sachse Economic Development Corporation (SEDC) and Sachse Municipal Development District are included in the financial statements as discretely presented component units.

The annual budget serves as the foundation for Sachse's financial planning and control. Annual budgets are legally adopted for the General Fund, Utility Fund, and Debt Service Fund. Each year the City Manager is required to submit to the City Council a proposed budget for the fiscal year, which runs from October 1 through September 30. The operating budget includes proposed

expenditures and the means of financing them. Public hearings are conducted to obtain taxpayers' comments. Prior to October 1, the budget is legally enacted by the City Council through passage of an ordinance, setting the limit for expenditures during the fiscal year. Expenditures in the adopted budget are appropriated by department and may be amended during the year. The City Manager is authorized to adjust budgeted amounts; however, such revisions may not result in total expenditures exceeding budgeted expenditures without approval of the City Council.

Throughout the year, monthly reports are provided to the individual departments to review and compare actual versus budgeted amounts, and summary budget reports are presented to the City Council. The Finance Department also reviews operating revenues and expenditures, recommending adjustments, as needed. On a quarterly basis, the Finance Department submits more detailed financial reports to the City Council.

Formal budgetary integration is not employed for the President George Bush Turnpike (PGBT) Tax Increment Financing Zone Fund (TIF) special revenue fund, Proprietary Fund, Capital Projects Fund, Sachse Economic Development Corporation or Sachse Municipal Development District (MDD). However, the City does adopt an annual budget for those funds for managerial control.

LOCAL ECONOMY

The City of Sachse continues to enjoy a stable economic environment, and local indicators point to continued stability as part of the Dallas/Fort Worth Metroplex area. The close proximity to major transportation networks in the North Dallas regional area enhances residential and commercial development in the City of Sachse. State Highway 78 connects Sachse to the President George Bush Turnpike, the North/South Central Expressway and the North/South Dallas Toll Road. The City is in close proximity to the Dallas Area Rapid Transportation System (DART) which includes both train and bus stations. The total transportation network gives current and future residents easy access to major industrial, commercial, and business developments in North Dallas. While Sachse is well-suited for residential development, it is anticipated that commercial development in the city will continue to increase with the eastern expansion of the George Bush Turnpike (Highway 190) to IH 30, which was completed in December 2011. In planning for this expansion, the City of Sachse put in place two Tax Increment Financing Zones (TIFs). The TIF Zones contain approximately 540 acres for future commercial development. In addition, the City Council approved the establishment of a Public Improvement District in January 2019 to support the activation and development of the PGBT catalytic area.

Property Values – Assessed property values increased $92,462,297 (4%) from the preceding year with $60,035,223 in new property and a $32,427,074 increase in the value of existing property. During the last five years, assessed taxable property values have increased 75% (from $1,424,592,045 in 2015 to $2,497,215,084 in 2020) and property taxes have accounted for 58% of the General Fund revenue. With a well-educated populace and an average household income of $113,409, Sachse enjoys an exceptionally high property tax collection rate.

Long-Term Strategic Planning – Long-term vision and strategic planning have been the catalyst for the City's transformation and shaping Sachse into a friendly, vibrant community offering a safe and enjoyable quality of life to all who call Sachse home. The City's annual budget process involves incorporating the goals and strategies identified by the City Council. Individual departments develop their goals and objectives in terms of these all-encompassing organizational goals. The City Council routinely checks in on its strategic goals during annual Council retreats. The City Council continued the FY 2020 with the same six strategic goals that it identified in its Strategic Plan in 2016:

1. Public Safety: Meet the public safety needs of a growing citizen, student, and business population
2. Infrastructure: Strategically invest in the City's existing and future infrastructure
3. Financial Stewardship: Be a model of financial stewardship through growth management, responsible investment, and financial transparency
4. Quality of Life: Provide a high quality of life environment for families, individuals, businesses, and other organizations in Sachse
5. Job Creation: Make Sachse more prosperous through job creation and quality development that adds community value
6. Government Services: Provide excellent government services to Sachse residents

These strategic goals and associated action items work in tandem with the City's Comprehensive Plan and the City's Long-term Financial Plan to create a synchronized system of governance for the organization.

Strategic Financial Plan – An appropriate financial plan for the City of Sachse requires many elements working in concert with one another. Additional demands for "essential" City services such as police, fire, sewer, drainage, and street improvements are anticipated. The Finance Department's management role will be to maintain and enhance financial plan elements and ensure the continued financial stability for the City of Sachse.

Financial Resource Planning – Strategic planning begins with determining the City's fiscal capacity based upon long-term financial forecasts of recurring available revenues. Financial forecasts, coupled with financial trend analysis techniques and careful reserve analysis, will preserve the fiscal well-being of Sachse. Strategic planning is a critical element, not only to meet long-term financial stability goals, but to determine City Council objectives that will require special financial planning to achieve success.

Capital Improvement Planning – The City of Sachse's Capital Improvement Program is a multi-year financial plan for the acquisition, expansion, or rehabilitation of infrastructure, capital assets, or productive capacity of City services. The City's operating and capital project budgets are closely linked.

Revenues for the capital budget come from bond sales, development fees, intergovernmental revenues, and current operating revenues. The Capital Improvement Program, unlike the operating budget, is a five-year plan that is reviewed and projects are reprioritized, as needed. Project budgets are used as a guide for projects, debt, and other related budget planning. Plans for future years are subject to change.

Debt Management – All debt issuances are for the purpose of financing capital infrastructure or long-lived costly assets. Each debt issuance is evaluated against multiple policies addressing: debt service as a percentage of operating expenditures, tax and revenue basis for the repayment of debt, the overall debt burden on the community, statutory limitations, and market factors affecting tax-exempt interest costs. Sizing of the City's capital improvement program based on debt capacity in conjunction with conservatively estimated pay-as-you-go revenues help stabilize per capita debt and lower annual debt service costs to the City for the long-term.

FISCAL YEAR 2020 HIGHLIGHTS

The residents of Sachse voted for General Obligation (GO) Bonds in the amount of $37,925,000 for facilities, parks, and transportation in November 2006. The GO Bond program is currently in progress. Construction on the Municipal Complex and the Salmon Park Improvement project have been completed, as well as numerous transportation projects throughout the City. Transportation projects remaining to be funded by the 2006 Bond Funds include the widening of Sachse Road, from 5th Street to Miles Road, and the widening of 5th Street, from Highway 78 to Sachse Road. Design of this project is complete and construction commenced in 2020.

The City of SACHSE

In June 2017, the City issued $13 million in Certificates of Obligation, with debt service to be fully repaid from the Utility Fund. Proceeds have been used to fund approximately half of the construction cost for an elevated storage tank and fully fund completion of the Southeast Sewer expansion project. Both projects began in FY2018 and have since been completed.

In November 2017, voters approved the creation and establishment of a Municipal Development District (MDD) for parks projects. The MDD is funded through ¼ percent sales tax, which took effect in April 2018. No expenditures were budgeted for FY2018. The MDD Board was established in August 2018. In FY 2019, the City was able to bring forward more than $404,172.49 to complete several park enhancement projects throughout the community including major renovations to Joe and Patricia Stone Park, Firefighters Park, Cornwall Lane Park, and Salmon Park, to name a few. The MDD focused its efforts on planning and development of future projects in FY 2020 and is looking forward to funding new projects in the upcoming budget cycles.

In September 2017, the City issued $10,590,000 in Certificates of Obligation to be used for the realignment of the Merritt Road and Sachse Road intersection and for the construction of a Community Center at the Municipal Complex. The realignment project will be one part of a larger project in conjunction with the North Central Texas Council of Governments to widen Merritt Road from Pleasant Valley to Sachse Road. FY2019 activity on this project included planning and design meetings with the consultant team. The Merritt Road project is well into the design phase and commencement of construction is expected soon. The construction of the Community Center was a long-time goal of this and prior City Councils, as well as, members of the community. The Michael J. Felix Community Center officially opened to the public in January 2020. Despite the impacts of the COVID-19 pandemic, the Community Center has continued operations in a modified capacity and continues to provide recreation opportunities for Sachse residents.

In March 2016, City Council approved funding to update the City's Comprehensive Plan. The previous Plan was adopted in 2001, prior to much of Sachse's growth and the completion of the eastern extension of the President George Bush Turnpike (PGBT). Public engagement was crucial, and the City and its consultants conducted multiple stakeholder meetings to seek input from the public. The final plan was approved by the City Council in March 2017 and identified three catalytic development areas: the President George Bush Turnpike, SH 78/Ranch Road industrial Tract and Old Town. These catalytic areas are the substantial remaining developable sites in Sachse and serve as the key opportunities for creating a sustainable economic future for Sachse. Three years into the Comprehensive Plan, the City has seen important key developments take shape with strong influence from the document.

Since its adoption, several key steps have been taken to encourage projects contemplated within the Comprehensive Plan are relative to the three catalytic areas. A dedicated zoning district was created in November 2017 for the President George Bush Turnpike area. This zoning was a key feature in attracting a master developer to the City. Throughout FY2018, the City worked with PMB Capital to create the framework for the development of approximately 120 acres along the PGBT. This project led to the ultimate creation of the Tax Increment Financing District Number Two and the City's first Public Improvement District. The project, known as "The Station", will be a regionally significant $250 million mixed-use development to be located along the President George Bush Turnpike, between Miles Road and Merritt Road. Construction on The Station commenced in early 2020. Major flatwork has been completed and portions of the development, including the single-family and retail components, have gone vertical. As buildout of the development continues, residents and guests should expect to see additional residential and retail opportunities, as well as significant enhancements to the City's existing Heritage Park. The Station is an important contribution not only in terms of the quality of life enhancements for the community, but also in terms of its financial impacts. The Station, with its increased property values and commercial activity, is another step taken by the City Council of Sachse to diversify the community's revenue portfolio, with the ultimate goal of bringing in more commercial activity to offset the residential tax burden. In addition, a specified zoning district was adopted for the Old Town/5th Street area in conjunction with the Sachse Economic Development Corporation's acquisition of approximately six-acres within the Old Town/5th Street. The City and the Sachse Economic Development Corporation are working with a master developer to design the complete build-out of the catalytic area.

The City of SACHSE

A stormwater drainage fund was established in FY2018. During FY2020, a study of the drainage channels throughout the City was completed and potential projects identified. Complete funding of needed improvements is beyond the scope of the stormwater drainage fees and will be considered along with other infrastructure projects in the next bond cycle.

AWARDS AND ACKNOWLEDGEMENTS

Awards – The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Sachse for its CAFR for the fiscal year ended September 30, 2019. This was the twenty-first consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City's 2019-2020 Fiscal Year Budget received the GFOA Distinguished Budget Presentation Award. This was the seventh consecutive year the City's Budget has been so recognized. The 2020-20221 Fiscal Year Budget will also be submitted for consideration.

Acknowledgements – Many people are responsible for the preparation of this report, and for the maintenance of records upon which it is based. Appreciation is expressed to representatives of Brooks Watson & Company, PLLC for their invaluable assistance in producing the final document and to the Finance team who were instrumental in the completion of this report.

We would also like to thank the Mayor, City Council, and City of Sachse staff for their assistance, interest, and support in the preparation of this document as well as their support of conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

Gina Nash
City Manager

Teresa C. Savage, CGFO
Finance Director

Berna Fitzpatrick-Walker, CGFO
Finance Manager

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

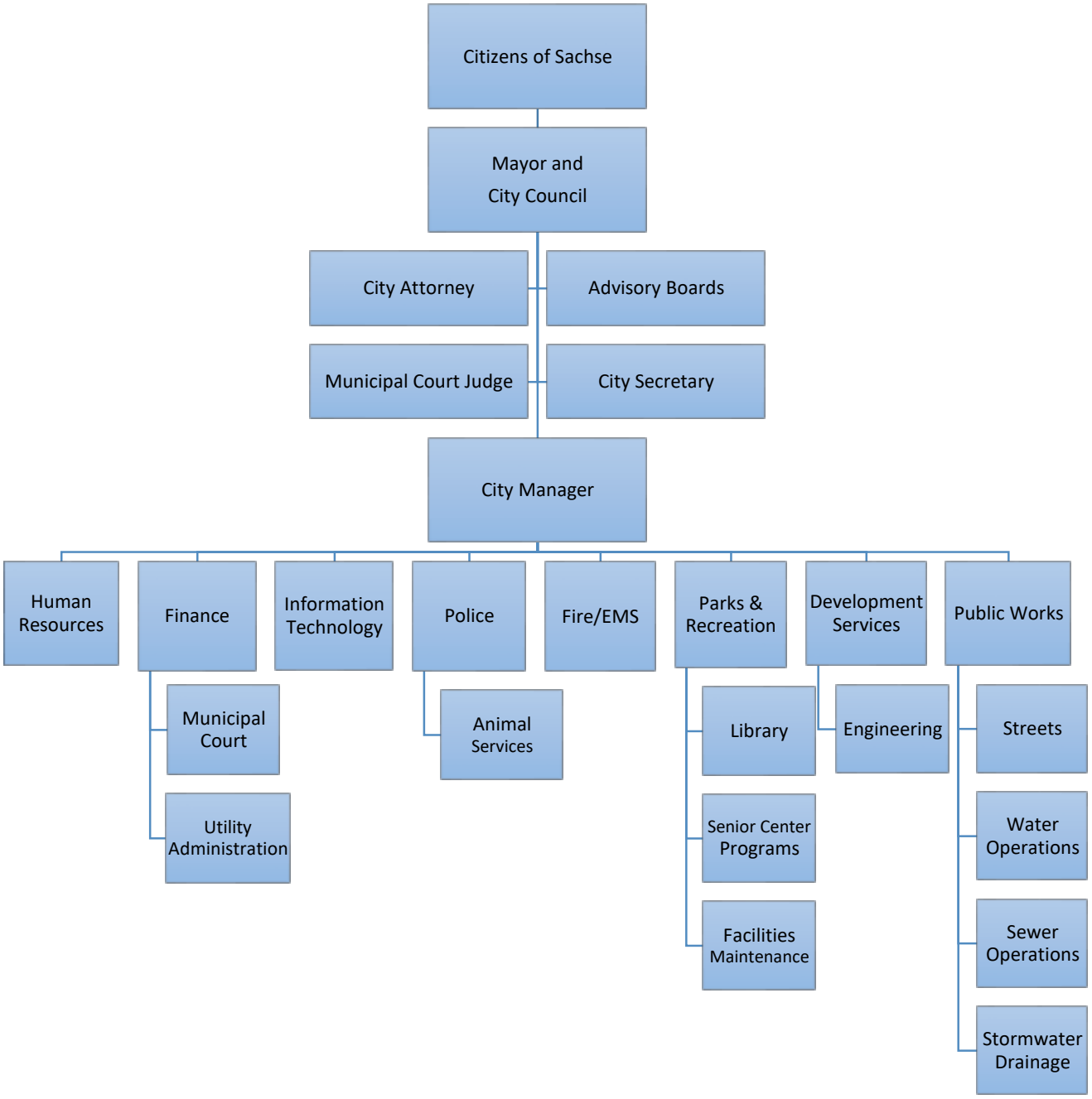
City of Sachse
Texas

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morrill

Executive Director/CEO


Citizens of Sachse
Mayor and City Council
City Attorney
Advisory Boards
Municipal Court Judge
City Secretary
City Manager
Human Resources
Finance
Information Technology
Police
Fire/EMS
Parks & Recreation
Development Services
Public Works
Municipal Court
Utility Administration
Animal Services
Library
Senior Center Programs
Facilities Maintenance
Engineering
Streets
Water Operations
Sewer Operations
Stormwater Drainage

CITY OF SACHSE, TEXAS

CITY COUNCIL MEMBERS

Mayor
Mike Felix

Place One
Councilmember
Brett Franks

Place Two
Mayor Pro Tem
Michelle Howarth

Place Three
Councilmember
Paul Watkins

Place Four
Councilmember
Chance Lindsey

Place Five
Councilmember
Cullen King

Place Six
Councilmember
Jeff Bickerstaff

CITY OF SACHSE, TEXAS

Management Staff

City Manager	Gina Nash
City Secretary	Michelle Lewis-Sirianni
Director of Finance	Teresa Savage
Director of CIP and Public Works	Corey Nesbit
Economic Development Corporation CEO	Leslyn Blake
Fire Chief	Marty Wade
Director of Development Services and Engineering	Matt Robinson
Director of Human Resources	Melinda Walter
Director of Parks and Recreation/Library	Lance Whitworth
Police Chief	Bryan Sylvester

The City of
SACHSE

FINANCIAL SECTION

The City of
SACHSE

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Sachse, Texas:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Sachse, Texas (the "City") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness

of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of employer contributions to pension plan, schedule of changes in other postemployment benefits liability and related ratios, and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and other budgetary comparison information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

This accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 10, 2021 on our consideration of City of Sachse, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of Sachse, Texas's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering City of Sachse, Texas's internal control over financial reporting and compliance.

BrooksWatson & Co., PLLC
Certified Public Accountants
Houston, Texas
February 10, 2021

The City of
SACHSE

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of
SACHSE

City of Sachse, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2020

As management of the City of Sachse, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-5 of this report.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows (net position) at September 30, 2020 by $124,230,456. Of this amount, $21,245,757 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

- The City's total net position increased by $14,599,650. The majority of the City's net position are invested in capital assets and restricted for specific purposes.

- The City's governmental funds reported combined ending fund balances of $30,566,013 at September 30, 2020, an increase of $3,591,803 from the prior fiscal year; this includes a decrease of $239,837 in the general fund, an increase of $59,462 in the debt service fund, an increase of $2,261,122 in the capital projects fund, a decrease of $164,912 in the impact fee fund, an increase of $175,503 in the tax increment reinvestment zones, and an increase of $1,500,465 in the nonmajor governmental funds.

- At the end of the fiscal year, unassigned fund balance for the general fund was $10,131,924 or 57% of total general fund expenditures.

- The City's total long-term bonds and tax notes reflected a net decrease of $1,705,000. The total governmental bonds payable at the close of the fiscal year was $38,410,000. Self-supporting debt of the proprietary fund was $12,290,000.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets and liabilities. The difference between the two is reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other non-financial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, culture and recreation, and community development. The business-type activities of the City include water and sewer operations.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the legally separate Sachse Economic Development Corporation and Sachse Municipal Development District, for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The Tax Increment Reinvestment Zones, although also legally separate, function for all practical purposes as a department of the City, and therefore have been included as an integral part of the primary government.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental* activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The City maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, capital projects fund, impact fee fund, and the tax increment reinvestment funds, which are considered to be major funds. The City's special revenue fund, and street maintenance fund are considered nonmajor for reporting purposes.

The City adopts an annual appropriated budget for its general fund, debt service fund, impact fee fund, street maintenance, PGBT reinvestment zone tax increment fund and special revenue fund. A budgetary comparison statement has been provided for each fund to demonstrate compliance with the budget.

Proprietary Funds

The City maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its water and sewer operations. All activities associated with providing such services are accounted for in this fund, including administration, operation, maintenance, debt service, capital improvements, meter maintenance, billing and collection. The City's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for health insurance.

Proprietary financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer fund since it is considered a major fund of the City.

Component Units

The City maintains the accounting and financial statements for four component units. The Sachse Economic Development Corporation and the Sachse Municipal Development District are reported as discrete component units on the government-wide financial statements. The George Bush Turnpike Reinvestment Zone and the Station Reinvestment Zone are reported as blended component units and are presented as one major fund, the tax increment reinvestment funds.

Notes to Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees and budgetary comparison for the general fund and impact fee fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of Sachse, assets exceed liabilities by $124,230,456 as of September 30, 2020 in the primary government.

The largest portion of the City's net position, $90,012,740, reflects its investments in capital assets (e.g., land, city hall, police station, streets, and drainage systems, as well as the public works facilities), less any debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

Total current assets as of September 30, 2020 and September 30, 2019 were $54,448,263 and $48,808,184, respectively. The increase of $5,640,079 was primarily due to revenues exceeding expenses, in addition to nonrecurring grant receivable recognized in governmental activities.

Total capital assets as of September 30, 2020 and September 30, 2019 were $131,983,376 and $124,022,350, respectively. The increase of $7,961,026 was primarily attributable to capital contributions received totaling $4,195,064 for streets and drainage infrastructure and $1,385442 for water and sewer infrastructure, in addition to various other capital additions for ongoing capital projects.

Total other liabilities as of September 30, 2020 and September 30, 2019 were $7,093,638 and $7,314,424, respectively. The decrease of $220,786 was primarily due to the timing of capital projects resulting in fewer payable balances owed at the end of the current year.

Total long-term liabilities as of September 30, 2020 and September 30, 2019 were $57,535,676 and $61,305,237, respectively. The decrease of $3,769,561 was a direct result of principal payments made during the year.

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2020			2019		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	$ 35,533,142	$ 18,915,121	$ 54,448,263	$ 30,180,164	$ 18,628,020	$ 48,808,184
Capital assets, net	95,798,340	36,185,036	131,983,376	89,563,567	34,458,783	124,022,350
Total Assets	131,331,482	55,100,157	186,431,639	119,743,731	53,086,803	172,830,534
Total Deferred Outflows	3,300,911	124,544	3,425,455	5,173,459	254,824	5,428,283
Other liabilities	5,374,661	1,718,977	7,093,638	4,563,650	2,750,774	7,314,424
Long-term liabilities	44,852,195	12,683,481	57,535,676	48,060,657	13,244,580	61,305,237
Total Liabilities	50,226,856	14,402,458	64,629,314	52,624,307	15,995,354	68,619,661
Total Deferred Inflows	927,511	69,813	997,324	7,765	585	8,350
Net Position:						
Net investment in capital assets	64,478,316	25,534,424	90,012,740	58,662,282	24,199,778	82,862,060
Restricted	12,971,959	-	12,971,959	7,403,116	-	7,403,116
Unrestricted	6,027,751	15,218,006	21,245,757	6,219,720	13,145,910	19,365,630
Total Net Position	$ 83,478,026	$ 40,752,430	$ 124,230,456	$ 72,285,118	$ 37,345,688	$ 109,630,806

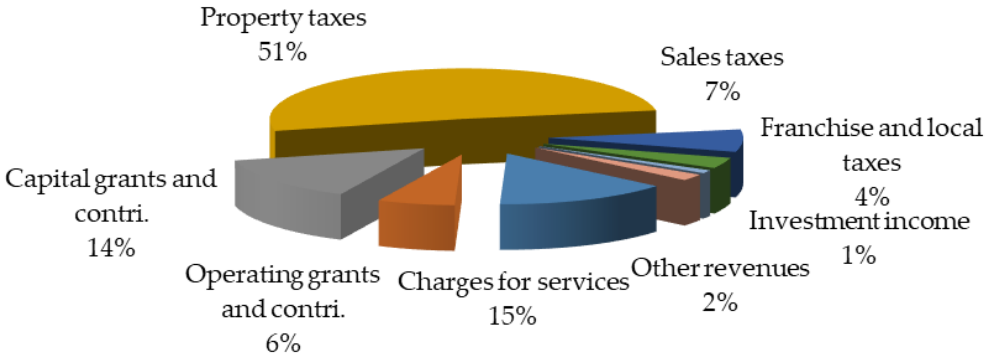
Statement of Activities:

The following table provides a summary of the City's changes in net position:

	For the Year Ended September 30, 2020			For the Year Ended September 30, 2019		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues						
Program revenues:						
Charges for services	$ 5,043,065	$ 13,190,213	$ 18,233,278	$ 2,782,993	$ 12,502,551	$ 15,285,544
Operating grants and contributions	2,240,037	-	2,240,037	453,212	-	453,212
Capital grants and contributions	4,925,566	1,385,442	6,311,008	2,274,863	564,030	2,838,893
General revenues:						
Property taxes	17,833,325	-	17,833,325	16,746,511	-	16,746,511
Sales taxes	2,499,558	-	2,499,558	2,188,634	-	2,188,634
Franchise and local taxes	1,206,420	-	1,206,420	1,211,633	-	1,211,633
Investment income	354,679	176,844	531,523	631,556	465,779	1,097,335
Other revenues	741,095	-	741,095	92,091	-	92,091
Total Revenues	34,843,745	14,752,499	49,596,244	26,381,493	13,532,360	39,913,853
Expenses						
General government	3,342,715	-	3,342,715	3,358,995	-	3,358,995
Public safety	11,201,666	-	11,201,666	10,237,626	-	10,237,626
Public works	6,147,260	-	6,147,260	5,975,519	-	5,975,519
Culture and recreation	2,333,491	-	2,333,491	1,946,985	-	1,946,985
Community development	715,773	-	715,773	806,203	-	806,203
Interest and fiscal charges	1,347,849	390,811	1,738,660	1,418,185	402,398	1,820,583
Water & Sewer	-	9,517,029	9,517,029	-	9,662,546	9,662,546
Total Expenses	25,088,754	9,907,840	34,996,594	23,743,513	10,064,944	33,808,457
Change in Net Position Before Transfers	9,754,991	4,844,659	14,599,650	2,637,980	3,467,416	6,105,396
Transfers	1,437,917	(1,437,917)	-	1,669,294	(1,669,294)	-
Total	1,437,917	(1,437,917)	-	1,669,294	(1,669,294)	-
Change in Net Position	11,192,908	3,406,742	14,599,650	4,307,274	1,798,122	6,105,396
Beginning Net Position	72,285,118	37,345,688	109,630,806	67,977,844	35,547,566	103,525,410
Ending Net Position	$ 83,478,026	$ 40,752,430	$ 124,230,456	$ 72,285,118	$ 37,345,688	$ 109,630,806

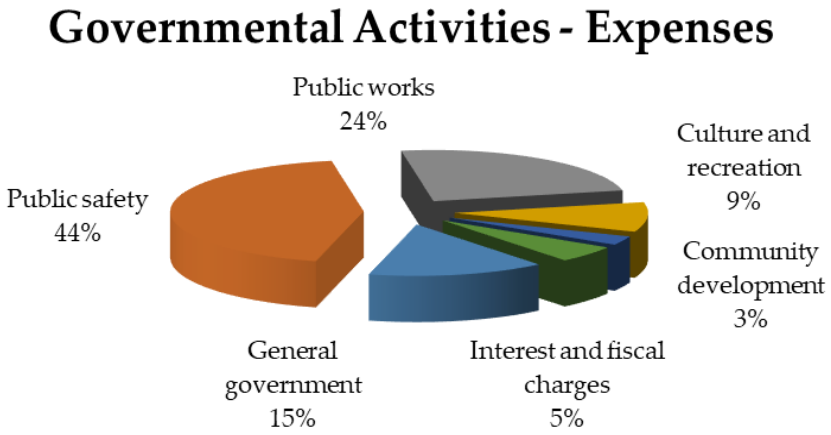
Graphic presentations of selected data from the summary tables are displayed below to assist in the analysis of the City's activities.

Governmental Activities - Revenues



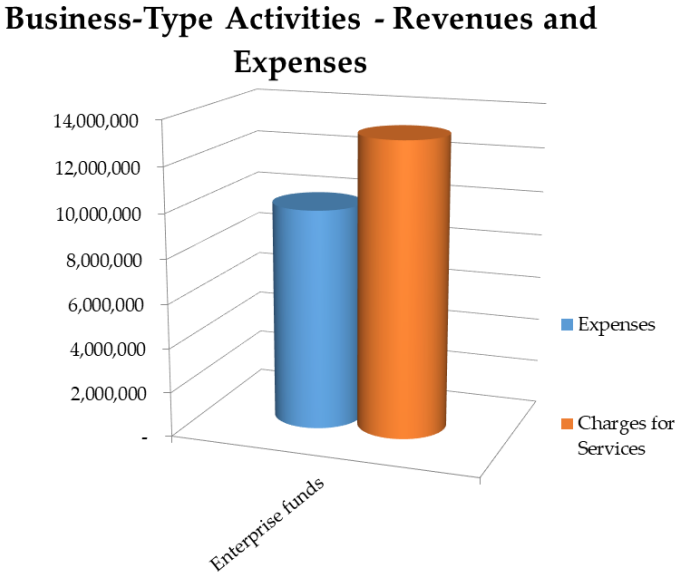
For the year ended September 30, 2020, revenues from governmental activities totaled $34,843,745. Property taxes, grants and contributions, and charges for services are the City's largest general revenue sources. Overall revenue increased $8,462,252 or 32% primary due to new capital grants that was received during the year and an increase in charges for services. Operating grants and contributions increased by $1,786,825 primarily due to nonrecurring CARES Act grant funding to reimburse expenditures relating to COVID-19. Capital grants and contributions increased by $2,650,703 due to nonrecurring capital contributions from local developers. Property tax revenue increased $1,086,814 or 6% due to an increase in property values and a growing tax base. Sales tax increased by $310,924 or 14% due to continued economic growth within the City. Charges for services increased by $2,260,072 or 81%, primarily from an increase in construction-related permits, roadway impact fees, and plan review fees compared to prior year. Investment income decreased by $276,877 or 44% due primarily to the utilization of interest-bearing cash balances and realization of lower interest rates. Other revenues increased by $649,004 primarily as a result of nonrecurring gains recognized from the sale of capital assets in the current year. All other revenues remained relatively stable when compared to the previous year.

This graph shows the governmental function expenses of the City:



For the year ended September 30, 2020, expenses for governmental activities totaled $25,088,754. This represents an increase of $1,345,241 or 6% from the prior year. The City's largest functional expense is public safety of $11,201,666, a 9% increase from prior year. This increase is attributed primarily to increases in personnel costs, vehicle maintenance, and ambulance and EMS equipment operating costs, in addition to the addition of COVID-19 pandemic related expenses. Culture and recreation increased by $386,506 or 20% primarily due to greater personnel costs, maintenance contract expenses, and annual depreciation expenses in the current year. Community development decreased by $90,430 or 11% primarily due to a decline in salaries and benefit expenses in the current year. All other expenses remained relatively consistent with the previous year.

Business-type activities are shown comparing operating costs to revenues generated by related services.



For the year ended September 30, 2020, charges for services by business-type activities totaled $13,190,213. This is an increase of $687,662 or 6% from the previous year. This increase directly relates to the City realizing a full year of increased sewer service rates. In the prior year, the City only realized half a year of increased sewer rates, as the rate increase was effective in April 2019.

Total expenses decreased $157,104 to a total of $9,907,840, due primarily to decreased volume of wastewater treated by the City of Garland, Texas, the City's wastewater treatment provider.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds - The focus of the City's governmental funds is to provide information of near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

At September 30, 2020, the City's governmental funds reported combined fund balances of $30,566,013, an increase of $3,591,803 in comparison with the prior year. Approximately 29% of this amount, $8,929,887, constitutes *unassigned fund balance,* which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable, assigned, or restricted* to indicate that it is 1) not in spendable form, $60,847, 2) assigned for particular purpose, $682,802, or 3) restricted for particular purposes, $20,892,477.

As of the end of the year the general fund reflected a total fund balance of $10,192,771. Of this, $60,847 is considered nonspendable and $10,131,924 is unassigned. The general fund balance decreased by $239,837 compared to the budgeted decrease of $3,275,656. The fund's decrease was primarily due to City Council approving a transfer of $3,000,000 to the capital projects fund.

As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. The total fund balance of general fund is 58% of total general fund expenditures. The unassigned (the amount available for spending) fund balance of the general fund of $10,131,924 is 57% of total general fund expenditures.

The debt service fund had an ending fund balance of $890,680 at September 30, 2020, an increase of $59,462. The increase was a result of property tax revenues and bond proceeds exceeding debt service expenditures and transfers to other funds.

The capital projects fund had an ending fund balance of $14,531,234, an increase of $2,261,122. The increase is primarily due to City Council approving a transfer of $3,000,000 from the general fund. During the year, the City expended $6,079,627 on various projects, utilizing funds designated for

capital projects. The City has a separate capital projects fund to account for replacement of vehicles and equipment.

The impact fee fund had an ending fund balance of $3,135,348, a decrease of $164,912. The decrease is primarily a result of transfers out to other funds.

The tax increment reinvestment zones (includes two funds) are used to track property tax collected for development. During the year, the funds received $196,386 in property taxes. The combined fund balance increased by $175,503 as a result of the property tax revenues received. All revenues received in the President George Bush Turnpike Reinvestment Zone are applied to advances from the water and sewer fund and the Sachse Economic Development Corporation. The Station Reinvestment Zone fund did not receive incremental tax revenue in the current year; future revenues will be used to reduce assessments in the Station Public Improvement District.

Proprietary Funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position in the water and sewer fund totaled $40,752,430. Unrestricted net position of the enterprise fund at the close of the fiscal year amounted to $15,218,006. Total net position increased $3,406,742. The fund had a net investment in capital assets of $25,534,424. The City operates and maintains a water and sewer distribution system with force mains and lift stations. The City has seven water storage facilities with a total capacity of approximately 8.15 million gallons. The following are additional comments regarding operations of the enterprise fund:

- The City received capital contributions of $1,385,442 consisting of water and sewer infrastructure.
- Operational expenses excluding depreciation and amortization were $7,661,025.
- Cash and cash equivalents in the water and sewer fund were $5,742,496 at fiscal yearend.
- Restricted cash in the water and sewer fund were $2,328,122 at fiscal yearend.
- Investment in the water and sewer fund were $9,058,574 at fiscal yearend.

An internal service fund was established for the purpose of tracking and allocating expenses for employee insurance. Revenue consists of budgeted allocations transferred from the general and water and sewer funds. Expenses consist of premiums paid for health, dental, and life insurance, as well as contributions to health savings accounts and deductible reimbursements. The fund had an ending fund balance of $536,712 to be retained for future risk.

GENERAL FUND BUDGETARY HIGHLIGHTS

There were several amendments approved during the fiscal year. Total original budgeted expenditures increased by $504,608 when preparing the final budget, for new emergency supplies needed in response to the COVID-19 pandemic. Total original budgeted revenues increased by $204,608 when preparing the final budget to account for intergovernmental revenues not previously reflected. Original

budgeted transfers out increased by $3,000,000 when preparing the final budget for new capital projects. There was a positive variance of $1,386,037 over budgeted general fund revenues.

The following are additional comments regarding appropriations:

- There was a total positive variance of $835,363 in budgeted expenditure appropriations.
- $2,221,400 is the budget surplus of revenues over expenditures before other financing sources (uses).
- There was an actual net negative change in fund balance of $239,837.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested $95,798,340 in a variety of capital assets and infrastructure, net of accumulated depreciation. The City's business-type activities funds had invested $36,185,036 in a variety of capital assets and infrastructure, net of accumulated depreciation. This investment in capital assets includes land, buildings, vehicles, equipment, park improvements, and infrastructure. The City's total investment in capital assets increased by $7,961,026, net of depreciation.

Major capital asset events during the current year include the following:

- Contribution of street and drainage infrastructure assets by developers for governmental activities totaling $4,810,751.
- Purchase of new vehicles for governmental activities totaling $804,728.
- Investment in new machinery and equipment for governmental activities amounting to $245,575.
- Investment in Bunker Hill Center ROW (PMB Project) totaling $442,875.
- Contribution of water and sewer system infrastructure assets by developers totaling $1,385,442.
- Purchase of new vehicles for business-type activities totaling $360,529.

More detailed information about the City's capital assets is presented in note IV. C to the financial statements.

LONG-TERM DEBT

At the end of the current fiscal year, the City had total bonded debt obligations of $50,700,000. Of this amount, $12,290,000 is self-supporting through revenues collected from the rates of the City's utility fund. All of the City's debt is backed by a full-faith credit pledge of property taxes with a limited pledge of revenues of the enterprise/utility system. The City monitors its debt obligations and callable bonds for refinancing opportunities with market conditions. More detailed information about the City's long-term liabilities is presented in note IV. D and E to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The 2020-2021 Fiscal Year Budget was approved by City Council on September 8, 2020. The tax rate adopted that same day was $72 per $100 assessed value, unchanged from the previous year. There was an increase in taxable values of $92 million (3.7%) from the previous year, resulting in an overall increase in budgeted ad valorem taxes of $1,187,191 to be allocated across the General, Debt Service, and both Tax Increment Financing Funds. Overall, budgeted revenue for the General Fund increased by $1,063,875 to a total of $20,651,362. Budgeted expenditures increased by $1,429,886 over the original 2019-2020 budget to a total of $20,993,029.

Budgeted revenue in the Utility Fund was estimated using rates adopted in April 2019, following a five-year update to the Utility Fund's cost-of-service and rate plan. The adopted rates included a 5% increase to sewer base and volume charges, while water charges remained unchanged. Utility rates will be reviewed annually during the budget process. Budgeted revenues decreased $274,887 to an estimated $13,093,200, and expenditures increased by $894,652.

The City's capital budget includes $5,946,395 in new funding for various projects city-wide. Unlike the operating budget, funding for budgeted capital projects does not expire at the end of the fiscal year but continues until the project is complete. By funding source, the amount budgeted includes $1,897,395 from the General Fund, $2,540,000 from the Utility Fund, $610,000 in Street Maintenance Taxes, $249,000 in Municipal Development District Taxes, $100,000 in Drainage revenues, and $550,000 from Impact Fees. Projects include signal design and construction at three key intersections in the Collin County portion of the City, rehabilitation of several alleyways, extension of the four-lane portion of Hudson Drive, and concept and design of Ranch Park Village Park.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact the Department of Finance at 3815-B Sachse Rd., Sachse Texas 75048 or call (972) 495-1212.

FINANCIAL STATEMENTS

City of Sachse, Texas

STATEMENT OF NET POSITION

September 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	$ 22,877,546	$ 5,742,496	$ 28,620,042
Restricted cash	-	2,328,122	2,328,122
Investments	11,057,479	9,058,574	20,116,053
Receivables, net	1,894,556	1,396,574	3,291,130
Inventory	-	31,314	31,314
Prepaids	60,847	755	61,602
Assets held for sale	-	-	-
Total Current Assets	35,890,428	18,557,835	54,448,263
Internal advances	(357,286)	357,286	-
Advances to primary government	-	-	-
Capital assets:			
Non-depreciable	14,116,509	14,745,573	28,862,082
Net depreciable capital assets	81,681,831	21,439,463	103,121,294
Noncurrent Assets	95,441,054	36,542,322	131,983,376
Total Assets	131,331,482	55,100,157	186,431,639
Deferred Outflows of Resources			
Pension contributions	1,045,516	78,695	1,124,211
Pension changes in assumptions	47,820	3,599	51,419
OPEB contributions	1,428	108	1,536
OPEB changes in assumptions	55,546	4,181	59,727
Deferred charge on refunding	2,150,601	37,961	2,188,562
Total Deferred Outflows of Resources	$ 3,300,911	$ 124,544	$ 3,425,455

Component Units	
Sachse EDC	Sachse MDD
$ 2,046,156	$ 612,193
-	-
-	-
182,425	84,384
-	-
-	-
2,197,982	-
4,426,563	696,577
-	-
823,867	-
-	-
-	-
823,867	-
5,250,430	696,577
-	-
-	-
-	-
-	-
-	-
$ -	$ -

City of Sachse, Texas

STATEMENT OF NET POSITION (Continued)

September 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	$ 3,078,171	$ 1,017,524	$ 4,095,695
Accrued interest payable	165,339	51,477	216,816
Customer deposits	-	242,545	242,545
Compensated absences, current	691,151	42,431	733,582
Long term debt due within one year	1,440,000	365,000	1,805,000
	5,374,661	1,718,977	7,093,638
Noncurrent liabilities:			
Advances from component unit	823,867	-	823,867
Compensated absences, noncurrent	76,795	4,715	81,510
Long-term debt due in more than one year	39,238,270	12,324,004	51,562,274
OPEB liability	381,472	28,713	410,185
Net pension liability	4,331,791	326,049	4,657,840
Noncurrent Liabilities	44,852,195	12,683,481	57,535,676
Total Liabilities	50,226,856	14,402,458	64,629,314
Deferred Inflows of Resources			
Pension investment returns	880,566	66,279	946,845
Pension differences in experience	39,867	3,001	42,868
OPEB difference in experience	7,078	533	7,611
Total Deferred Inflows of Resources	927,511	69,813	997,324
Net Position			
Net investment in capital assets	64,478,316	25,534,424	90,012,740
Restricted for:			
Debt service	890,680	-	890,680
Capital improvements	11,361,241	-	11,361,241
Municipal court	366,489	-	366,489
Street maintenance	353,549	-	353,549
Economic development	-	-	-
Municipal development	-	-	-
Unrestricted	6,027,751	15,218,006	21,245,757
Total Net Position	$ 83,478,026	$ 40,752,430	$ 124,230,456

See Notes to Financial Statements.

Component Units	
Sachse EDC	Sachse MDD
$ 32,310	10,134
-	-
-	-
6,143	-
-	-
38,453	10,134
-	-
683	-
-	-
-	-
-	-
683	-
39,136	10,134
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
5,211,294	-
-	686,443
-	-
$ 5,211,294	$ 686,443

City of Sachse, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2020

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	$ 3,342,715	$ 9,900	$ -	$ 114,815
Public safety	11,201,666	1,058,301	1,431,662	-
Public works	6,147,260	1,737,126	-	4,195,074
Culture and recreation	2,333,491	-	10,356	615,677
Community development	715,773	2,237,738	798,019	-
Interest and fiscal charges	1,347,849	-	-	-
Total Governmental Activities	25,088,754	5,043,065	2,240,037	4,925,566
Business-Type Activities				
Water	7,200,699	8,308,300	-	753,964
Sewer	2,707,141	4,881,913	-	631,478
Total Business-Type Activities	9,907,840	13,190,213	-	1,385,442
Total Primary Government	$ 34,996,594	$ 18,233,278	$ 2,240,037	6,311,008
Component Unit				
Sachse Economic Development Corporation	$ 700,834	$ -	$ -	$ -
Municipal Development District	95,068	-	-	-
Total Component Units	$ 795,902	-	$ -	$ -

General Revenues:	
Taxes	
Property taxes	
Sales taxes	
Franchise and local taxes	
Investment income	
Other revenues	
Transfers	
Total General Revenues and Transfers	
Change in Net Position	
Beginning Net Position	
Ending Net Position	

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Sachse EDC	Sachse MDD
$ (3,218,000)	$ -	$ (3,218,000)	$ -	$ -
(8,711,703)	-	(8,711,703)	-	-
(215,060)	-	(215,060)	-	-
(1,707,458)	-	(1,707,458)	-	-
2,319,984	-	2,319,984	-	-
(1,347,849)	-	(1,347,849)	-	-
(12,880,086)	-	(12,880,086)	-	-
-	1,861,565	1,861,565	-	-
-	2,806,250	2,806,250	-	-
-	4,667,815	4,667,815	-	-
(12,880,086)	4,667,815	(8,212,271)	-	-
			(700,834)	-
			-	(95,068)
			(700,834)	(95,068)
17,833,325	-	17,833,325	-	-
2,499,558	-	2,499,558	997,823	466,849
1,206,420	-	1,206,420	-	-
354,679	176,844	531,523	13,843	670
741,095	-	741,095	2,166	-
1,437,917	(1,437,917)	-	-	-
24,072,994	(1,261,073)	22,811,921	1,013,832	467,519
11,192,908	3,406,742	14,599,650	312,998	372,451
72,285,118	37,345,688	109,630,806	4,898,296	313,992
$ 83,478,026	$ 40,752,430	$ 124,230,456	$ 5,211,294	$ 686,443

City of Sachse, Texas

BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2020

	General	Debt Service	Capital Projects	Impact Fee	Tax Increment Reinvestment Zones
Assets					
Cash and cash equivalents	$ 1,516,350	$ 886,317	$ 13,116,028	$ 3,963,826	$ -
Investments	9,055,361	-	2,002,118	-	-
Receivables, net	1,127,711	55,270	-	-	-
Due from other funds	-	-	20,176	-	-
Prepaids	60,847	-	-	-	-
Total Assets	$ 11,760,269	$ 941,587	$ 15,138,322	$ 3,963,826	$ -
Liabilities					
Accounts payable and accrued liabilities	$ 1,360,517	$ -	$ 607,088	$ 828,478	$ 708
Due to other funds	-	-	-	-	20,176
Advances from other funds	-	-	-	-	357,286
Advances from component unit	-	-	-	-	823,867
Total Liabilities	1,360,517	-	607,088	828,478	1,202,037
Deferred Inflows of Resources					
Unavailable revenue -					
Property taxes	140,925	50,907	-	-	-
Fines receivable, net	3,446	-	-	-	-
Grants	-	-	-	-	-
Ambulance	62,610	-	-	-	-
Total Deferred Inflows	206,981	50,907	-	-	-
Fund Balances					
Nonspendable for:					
Prepaids	60,847	-	-	-	-
Restricted for:					
Debt service	-	890,680	-	-	-
Capital improvements	-	-	13,848,432	3,135,348	-
Municipal court	-	-	-	-	-
Street maintenance	-	-	-	-	-
Assigned for:					
Vehicle replacement	-	-	682,802	-	-
Unassigned	10,131,924	-	-	-	(1,202,037)
Total Fund Balances	10,192,771	890,680	14,531,234	3,135,348	(1,202,037)
Total Liabilities, Deferred Inflows, and Fund Balances	$ 11,760,269	$ 941,587	$ 15,138,322	$ 3,963,826	$ -

See Notes to Financial Statements.

Nonmajor Governmental Funds	Total Governmental Funds
$ 2,776,853	$ 22,259,374
-	11,057,479
711,575	1,894,556
-	20,176
-	60,847
$ 3,488,428	$ 35,292,432
$ 199,920	$ 2,996,711
-	20,176
-	357,286
-	823,867
199,920	4,198,040
-	191,832
-	3,446
270,491	270,491
-	62,610
270,491	528,379
-	60,847
-	890,680
2,297,979	19,281,759
366,489	366,489
353,549	353,549
-	682,802
-	8,929,887
3,018,017	30,566,013
$ 3,488,428	$ 35,292,432

The City of
SACHSE

City of Sachse, Texas

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION GOVERNMENTAL FUNDS

September 30, 2020

Fund Balances - Total Governmental Funds	$	30,566,013
Adjustments for the Statement of Net Position:		
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.		
Capital assets - non-depreciable		14,116,509
Capital assets - net depreciable		81,681,831
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.		
Property tax receivable		191,832
Fines receivable		3,446
Grant receivables		270,491
Ambulance receivables		62,610
Deferred outflows (inflows) of resources represent a consumption (acquisition) of net position that applies to a future period(s) and is not recognized as an outflow (inflows) of resources (expense/expenditure)/(revenue) until then.		
Deferred charge on refunding		2,150,601
Pension contributions		1,045,516
OPEB contributions		1,428
Pension changes in assumptions		47,820
Pension investment returns		(880,566)
Pension differences in experience		(39,867)
OPEB assumption changes		55,546
OPEB difference in experience		(7,078)
Internal service funds are used by management to charge the cost of insurance to individual departments and funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		536,712
Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.		
Accrued interest		(165,339)
Bond premium		(2,269,534)
Bond discount		1,264
Compensated absences		(767,946)
Non-current liabilities due in one year		(1,440,000)
Non-current liabilities due in more than one year		(36,970,000)
Net pension liability		(4,331,791)
OPEB liability		(381,472)
Net Position of Governmental Activities	$	83,478,026

See Notes to Financial Statements.

City of Sachse, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS (Page 1 of 2)

For the Year Ended September 30, 2020

	General	Debt Service	Capital Projects	Impact Fee	Tax Increment Reinvestment Zones
Revenues					
Property tax	$ 12,795,698	$ 4,796,414	$ -	$ -	$ 196,386
Sales tax	2,000,472	-	-	-	-
Franchise and local taxes	1,178,266	-	-	-	-
License, permits and fees	2,300,683	-	-	-	-
Intergovernmental	648,953	-	113,824	-	-
Grants and donations	3,655	-	-	-	-
Fines and forfeitures	207,587	-	-	-	-
Impact and development fees	-	-	-	1,729,653	-
Investment income	167,933	15,542	127,963	32,812	-
Other revenue	70,748	-	-	-	-
Total Revenues	19,373,995	4,811,956	241,787	1,762,465	196,386
Expenditures					
Current:					
General government	2,608,669	-	-	-	20,883
Public safety	9,962,710	-	-	-	-
Public works	2,115,492	-	-	23,075	-
Culture and recreation	1,774,946	-	-	-	-
Community development	678,081	-	-	-	-
Nondepartmental	456,715	-	-	-	-
Debt Service:					
Principal	-	3,420,000	-	-	-
Interest and fiscal charges	-	1,337,324	-	-	-
Bond issuance costs	-	34,490	-	-	-
Capital outlay	77,715	-	6,079,627	34,149	-
Total Expenditures	17,674,328	4,791,814	6,079,627	57,224	20,883

Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ 17,788,498
499,086	2,499,558
28,154	1,206,420
-	2,300,683
1,640,758	2,403,535
6,701	10,356
38,553	246,140
320,100	2,049,753
10,429	354,679
-	70,748
2,543,781	28,930,370
-	2,629,552
413,022	10,375,732
-	2,138,567
-	1,774,946
-	678,081
-	456,715
-	3,420,000
-	1,337,324
-	34,490
630,294	6,821,785
1,043,316	29,667,192

City of Sachse, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS (Page 2 of 2)
For the Year Ended September 30, 2020

	General	Debt Service	Capital Projects	Impact Fee	Tax Increment Reinvestment Zones
Excess (Deficiency) of Over (Under) Expenditures	$ 1,699,667	$ 20,142	$ (5,837,840)	$ 1,705,241	$ 175,503
Other Financing Sources (Uses)					
Transfers in	1,855,962	-	8,040,848	-	-
Transfers (out)	(4,558,060)	(2,030,680)	-	(1,870,153)	-
Sale of general capital assets	762,594	-	58,114	-	-
Bond proceeds	-	2,070,000	-	-	-
Total Other Financing Sources (Uses)	(1,939,504)	39,320	8,098,962	(1,870,153)	-
Net Change in Fund Balances	(239,837)	59,462	2,261,122	(164,912)	175,503
Beginning fund balances	10,432,608	831,218	12,270,112	3,300,260	(1,377,540)
Ending Fund Balances (Deficit)	$ 10,192,771	$ 890,680	$ 14,531,234	$ 3,135,348	$ (1,202,037)

See Notes to Financial Statements.

Nonmajor Governmental Funds	Total Governmental Funds
$ 1,500,465	$ (736,822)
-	9,896,810
-	(8,458,893)
-	820,708
-	2,070,000
-	4,328,625
1,500,465	3,591,803
1,517,552	26,974,210
$ 3,018,017	$ 30,566,013

The City of
SACHSE

City of Sachse, Texas

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2020

Amounts reported for governmental activities in the statement of activities are different because:		
Net changes in fund balances - total governmental funds	$	3,591,803
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay		6,395,449
Depreciation expense		(4,935,881)
Capital contributions		4,810,751
Adjustment for sale of capital assets		(35,546)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		317,462
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences		(107,734)
Accrued interest		14,226
Pension expense		(330,401)
OPEB expense		(35,590)
The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when they are first issued; whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Issuance of debt		(2,070,000)
Amortization of debt discount		(1,173)
Amortization of debt premium		198,447
Amortization of deferred charge on refunding		(187,535)
Principal payments on long-term debt		3,420,000
Internal service funds are used by management to charge the cost of health insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.		148,630
Change in Net Position of Governmental Activities	$	11,192,908

See Notes to Financial Statements.

City of Sachse, Texas

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

September 30, 2020

	Business-type Activities	Governmental Activities
	Water & Sewer	Internal Service Fund
Assets		
Current Assets		
Cash and cash equivalents	$ 5,742,496	$ 618,172
Restricted cash	2,328,122	-
Investments	9,058,574	-
Receivables, net	1,396,574	-
Prepaid items	755	-
Inventory	31,314	-
Total Current Assets	18,557,835	618,172
Noncurrent Assets		
Advances to other funds	357,286	-
Capital assets:		
Non-depreciable	14,745,573	-
Net depreciable capital assets	21,439,463	-
Total Noncurrent Assets	36,542,322	-
Total Assets	55,100,157	618,172
Deferred Outflows of Resources		
Pension contributions	78,695	-
Pension changes in assumptions	3,599	-
OPEB contributions	108	-
OPEB assumption changes	4,181	-
Deferred charge on refunding	37,961	-
Total Deferred Outflows	$ 124,544	$ -

City of Sachse, Texas

STATEMENT OF NET POSITION (Continued)

PROPRIETARY FUNDS

September 30, 2020

	Business-type Activities	Governmental Activities
	Water & Sewer	Internal Service Fund
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	$ 1,017,524	$ 81,460
Accrued interest	51,477	-
Customer deposits	242,545	-
Compensated absences - current	42,431	-
Bonds payable - current	365,000	-
Total Current Liabilities	1,718,977	81,460
Noncurrent Liabilities		
Compensated absences, noncurrent	4,715	-
Bonds payable - noncurrent	12,324,004	-
OPEB liability	28,713	-
Net pension liability	326,049	-
Total Liabilities	14,402,458	81,460
Deferred Inflows of Resources		
Pension differences in experience	3,001	-
Pension investment returns	66,279	-
OPEB difference in experience	533	-
Total Deferred Inflows	69,813	-
Net Position		
Net investment in capital assets	25,534,424	-
Unrestricted	15,218,006	536,712
Total Net Position	40,752,430	$ 536,712

See Notes to Financial Statements.

City of Sachse, Texas

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

For the Year Ended September 30, 2020

	Business-type Activities	Governmental Activities
	Water & Sewer	Internal Service Fund
Operating Revenues		
Water revenue	$ 7,839,521	$ -
Sewer revenue	4,881,913	-
Connection and tap charges	113,406	-
Benefit management	-	1,641,433
Other revenue	355,373	-
Total Operating Revenues	13,190,213	1,641,433
Operating Expenses		
Administration	331,277	-
Personnel	718,295	1,493,524
Cost of water operations	4,420,564	-
Cost of sewer operations	2,038,389	-
Conservation and development	152,500	-
Depreciation	1,856,004	-
Total Operating Expenses	9,517,029	1,493,524
Operating Income	3,673,184	147,909
Nonoperating Revenues (Expenses)		
Investment income	176,844	721
Interest expense	(390,811)	-
Total Nonoperating Revenues (Expenses)	(213,967)	721
Income Before Capital Contributions and Transfers	3,459,217	148,630
Contributed capital	1,385,442	-
Transfers in	1,107,045	-
Transfers (out)	(2,544,962)	-
Change in Net Position	3,406,742	148,630
Beginning net position	37,345,688	388,082
Ending Net Position	$ 40,752,430	$ 536,712

See Notes to Financial Statements.

City of Sachse, Texas

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 1 of 2)

For the Year Ended September 30, 2020

	Business-type Activities	Governmental Activities
	Water & Sewer	Internal Service Fund
Cash Flows from Operating Activities		
Receipts from customers	$ 13,712,756	$ -
Receipts from interfund charges for benefit management	-	1,641,433
Payments to suppliers	(6,929,984)	(1,415,734)
Payments to employees	(1,009,514)	-
Net Cash Provided (Used) by Operating Activities	5,773,258	225,699
Cash Flows from Noncapital Financing Activities		
Transfers in	1,107,045	-
Transfers (out)	(2,544,962)	-
Net Cash (Used for) Noncapital Financing Activities	(1,437,917)	-
Cash Flows from Capital and Related Financing Activities		
Capital purchases	(2,214,114)	-
Proceeds from sale of capital assets	5,898	-
Principal paid on debt	(355,000)	-
Interest paid on debt	(417,662)	-
Net Cash (Used for) Capital and Related Financing Activities	(2,980,878)	-
Cash Flows from Investing Activities		
Purchase of investments	(6,985,800)	-
Interest on investments	176,844	721
Net Cash Provided (Used) by Investing Activities	(6,808,956)	721
Net (Decrease) Increase in Cash and Cash Equivalents	(5,454,493)	226,420
Beginning cash and cash equivalents	13,525,111	391,752
Ending Cash and Cash Equivalents	$ 8,070,618	$ 618,172

See Notes to Financial Statements.

City of Sachse, Texas

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 2 of 2)

For the Year Ended September 30, 2020

	Business-type Activities	Governmental Activities
	Water & Sewer	Internal Service Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating Income	$ 3,673,184	$ 147,909
Adjustments to reconcile operating income to net cash provided:		
Depreciation	1,856,004	-
Loss on sale of capital assets	11,401	-
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in:		
Accounts receivable	531,433	-
Inventory	8,647	-
Advances	98,193	-
Due from other funds	605,933	-
Increase (Decrease) in:		
Accounts payable and accrued liabilities	(1,042,705)	77,790
Compensated absences	12,510	-
Customer deposits	(8,890)	-
Deferred outflows - pension liability	(7,616)	-
Deferred outflows - OPEB liability	(4,188)	-
Deferred inflows - pension liability	207,913	-
Deferred inflows - OPEB liability	(52)	-
OPEB liability	6,918	-
Net pension liability	(175,427)	-
Net Cash Provided (Used) by Operating Activities	$ 5,773,258	$ 225,699
Schedule of Noncash Capital and Related Financing Activities:		
Contributions of capital assets	$ 1,385,442	$ -
	$ 1,385,442	$ -

See Notes to Financial Statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Sachse, Texas (the "City") was incorporated in 1956 under the provisions of Chapter 11, Title 28, Texas Revised Civil Statutes of 1925 and has adopted a charter making it a home rule city operating under a Council-Manager form of government. The City provides such services as are authorized by its charter to advance the welfare, health, comfort, safety and convenience of the City and its inhabitants.

The City is an independent political subdivision of the State of Texas governed by an elected council and a mayor and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City's financial reporting entity. The Sachse Economic Development Corporation (the "SEDC") and the Sachse Municipal Development District (the "MDD"), although legally separate, are considered part of the reporting entity. No other entities have been included in the City's reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations or functions in the City's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City's financial reporting entity status is that of a primary government are that it has a separately elected governing body; it is legally separate; and is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable, and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Blended Component Units

President George Bush Turnpike (PGBT) Reinvestment Zone Tax Increment Fund

The City created the PGBT Reinvestment Zone Tax Increment Fund (the "TIF") in November 2003 to encourage and accelerate planned development along the George Bush Eastern Extension of the Turnpike to the City. The five member Board of Directors are appointed by the Sachse City Council and serve for two-year staggered terms. The members of the Board are citizens of Sachse. Any future debt obligations issued and backed by the

TIF are to be repaid from property tax levies, based on the incremental increase in the real property values from the base year 2003.

The TIF Board of Directors acts primarily in an advisory role to the City Council, who exercise the ultimate financial control over the recommendations of the TIF board, including its budget and expenditures. The financial information of the TIF is blended as a governmental fund into the primary government. Separate financial statements are not prepared.

Station Reinvestment Zone

The City created the Station Reinvestment Zone to overlay the Public Improvement District ("PID") for the Station development. Incremental revenues within the Zone will be used to reduce the PID assessment required for each property.

Discretely Presented Component Units

Sachse Economic Development Corporation

The Sachse Economic Development Corporation (the "SEDC") serves all citizens of the City and is governed by a seven-member board of directors appointed by the Sachse City Council. An Executive Director is appointed by the SEDC seven-member board to carry out the Board's administrative and policy initiatives. The SEDC does not provide services entirely, or almost entirely to the City, nor does it maintain debt of any type that are repaid using City resources. The SEDC is a 4B Corporation and is supported by a half-cent sales tax voted by referendum in 1994. The scope of public service of the SEDC benefits citizens and is operated primarily within geographic boundaries of the City.

Separate financial statements are not prepared. However, additional financial information for the SEDC may be obtained at the entity's administrative offices at the following address: Sachse Economic Development Corporation 3815 Sachse Road, Sachse, Texas 75048.

Sachse Municipal Development District

The Sachse Municipal Development District (the "MDD") was created for the purpose of developing and financing all development projects specifically related to park and recreation projects and facilities. The MDD is governed by a seven member board of directors appointed by the Sachse City Council. The City's Parks and Recreation Director will serve as the City Liaison to the MDD, provide administrative support services for the MDD, and perform duties for the Board, as prescribed by City Council. The MDD does not provide services entirely, or almost entirely to the City, nor does it maintain debt of any type that are repaid using City resources. The MDD is a 4B Corporation and is supported by a one-fourth of one percent sales tax voted by referendum on November 17, 2017. The scope

of public service of the MDD benefits the government and its citizens and is operated primarily within geographic boundaries of the City.

Separate financial statements are not prepared. However, additional financial information for the MDD may be obtained at the entity's administrative offices at the following address: Sachse Municipal Development District 3815-B Sachse Road, Sachse, Texas 75048.

B. Basis of Presentation - Government-Wide and Fund Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and the proprietary funds.

As discussed earlier, the government has one discretely presented component unit and is shown in separate columns in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and transit functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category; governmental and proprietary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following governmental funds:

General Fund

The general fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, public works, culture and recreation, community development, and nondepartmental. This fund is considered to be a major fund.

Debt Service Fund

The debt service fund is used to account for the payment of interest and principal on all general obligation bonds and other long-term debt of governmental funds. The primary source of revenue for debt service is local property taxes. This fund is considered to be a major fund.

Capital Projects Fund

The capital projects fund accounts for the acquisition and construction of the government's major capital facilities, other than those financed by proprietary funds. The City has an internal vehicle replacement fund and it is presented with the Capital Projects Fund in the fund financial statements. This fund is considered to be a major fund.

Impact Fee Fund

The impact fee fund accounts for impact fees collected for specific projects related to development within the City. This fund is considered to be a major fund.

Tax Increment Reinvestment Zones

The City includes the PGBT Reinvestment Zone Tax Increment Fund and the Station Reinvestment Zone within this financial reporting fund grouping The PGBT Reinvestment Zone Tax Increment Fund was created to encourage and accelerate planned development along the George Bush Eastern Extension of the Turnpike to the City. The fund accounts for all tax and expenditure activity associated with the fund's primary purpose. The Station Reinvestment Zone was created to overlay the PID for the Station development. Incremental revenues within the Zone will be used to reduce the PID assessment required for each property. These funds are combined and considered major for reporting purposes.

Street Maintenance Fund

The street maintenance fund is used to account for a sales tax restricted for street maintenance. The fund is considered nonmajor for reporting purposes.

Special Revenue Fund

The special revenue fund is used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Revenue sources for this fund include donations, fines and fees, and grants. This fund is considered nonmajor for reporting purposes.

The government reports the following major enterprise fund:

Water & Sewer Fund

This fund is used to account for the provision of water and sewer services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water production and distribution system, water collection and treatment systems. The fund also accounts for the accumulation of resources for and the payment of long-term debt. All costs are financed through charges to utility customers.

The government reports the following internal service fund:

Health Insurance Fund

This fund is used to account for health insurance benefits provided to City employees.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

C. Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources.* The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary, pension and other postemployment benefit trust, and private-purpose trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Agency funds have no measurement focus but utilize the *accrual basis of accounting* for reporting its assets and liabilities.

D. Assets, Liabilities, and Fund Equity or Net Position

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with original maturities of three months or less from the date of

acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the City reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pools' share price.

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, of the Texas Governmental Code. In summary, the City is authorized to invest in the following:

Direct obligations of the U.S. Government
Fully collateralized certificates of deposit and money market accounts
Statewide investment pools

2. Fair Value Measurement

The City has applied Governmental Accounting Standards Board ("GASB") Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

3. Receivables and Interfund Transactions

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" in the fund financial statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as "due to/from component unit/primary government." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds are offset by a nonspendable fund balance account in the applicable governmental fund to indicate they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of any allowance for uncollectible amounts.

4. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred, (i.e., the purchase method). The inventories of supplies are reported at cost using the first-in/first-out method. Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized (the consumption method).

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government, as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Capital assets received in a service concession arrangement are reported at acquisition value. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful years.

Asset Description	Estimated Useful Life
Vehicles	5 to 10 years
Machinery and equipment	5 to 10 years
Infrastructure	5 to 30 years
Buildings and improvements	25 years

6. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be

made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

7. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in the fund.

8. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing body (council) has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent

year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The government has adopted a policy to maintain a minimum reserve of an amount equal to or greater than 25% of operating expenditures. The utility fund working capital should be maintained at a minimum of 20-25% of the total operating expenditures or the equivalent of 75 days. The debt service fund reserve is maintained at a level to support interest and principal payments in the event of a delay in property tax collections.

9. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The long-term debt consists primarily of bonds payable and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums, discounts and issuance costs are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

Assets acquired under the terms of capital leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, capital lease transactions are recorded as other financing sources and as capital outlay expenditures in the general fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

10. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

11. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

12. Other Postemployment Benefits ("OPEB")

The City has implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement applies to the individual employers (TMRS cities) in the TMRS Supplemental Death Benefits (SDB) plan, with retiree coverage. The TMRS SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB) and as such the SDBF is considered to be an unfunded OPEB plan. For purposes of reporting under GASB 75, the retiree portion of the SDBF is not considered a cost sharing plan and is instead considered a single employer, defined benefit OPEB plan. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary, calculated based on the employee's actual earnings on which TMRS deposits are made, for the 12-month period preceding the month of death. The death benefit amount for retirees is $7,500. GASB No. 75 requires the liability of employers and nonemployer contributing entities to employees for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position.

13. Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the Statement of Financial Position and/or Balance Sheet will sometimes report a separate section for deferred outflows and deferred inflows of resources. Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The City has the following items that qualify for reporting as deferred outflows:

Deferred Loss on Refunding – these deferred outflows result from the difference in the carrying value of refunded debt and its acquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Pensions/OPEB – these deferred outflows result from pension/OPEB contributions after the measurement date (deferred and recognized in the following fiscal year) and/or the differences between expected and actual economic experience and assumption changes.

The City has the following items that qualify for reporting as deferred inflows:

Pensions/OPEB – at the government-wide level these deferred inflows result from differences due to pension and OPEB assumption changes.

Unavailable Revenues – at the fund level these deferred inflows result from property tax, ambulance, and court revenues that have not been received in the current period and are unavailable until collected.

E. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax

Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the City.

3. Compensated Absences

City employees earn vacation and sick leave, which may either be taken or accumulated, up to certain amounts, until retirement or termination. Once per year, employees with accumulations greater than 40 hours may redeem 3 days of sick and vacation leave. Upon termination or retirement, an employee is reimbursed up to a maximum number of hours of unused vacation pay based upon the years of service. Sick leave is not paid at termination or retirement. All vacation and qualifying sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they are expected to be liquidated with expendable available financial resources, for example, as a result of employee resignations and retirements. Vested or accumulated vacation leave and compensated leave of government-wide and proprietary funds are recognized as an expense and liability of those funds as the benefits accrue to employees.

It is the City's policy to liquidate compensated absences with future revenues rather than with currently available expendable resources. Accordingly, the City's governmental funds recognize accrued compensated absences when it is paid.

4. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer fund are charges to customers for sales and services. The water and sewer fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise fund includes the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes reconciliation between *fund balance-total*

governmental funds and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds, are not due and payable in the current period and, therefore, are not reported in the funds.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental states that, "the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities."

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general, debt service, SEDC, special revenue, impact fee, street maintenance, and utility funds. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control as defined by the City Charter is the department level. No funds can be transferred or added to a budgeted item without Council approval. Appropriations lapse at the end of the year. Supplemental budget appropriations were made during the year, impacting the Impact Fee Fund and the Street Maintenance Fund.

A. Expenditures Over Appropriations

For the year ended, expenditures exceeded appropriations at the legal level of control and as follows:

General Fund:

City engineer	$ 9,258
Library services	1,747

Debt Service Fund

Principal	$ 315,000
Interest	34,490

Impact Fee Fund

Public works – sewer	$ 23,075
Capital outlay	34,149

Special Revenue Fund:

Public safety	$ 376,022

The City has implemented procedures to ensure budgetary compliance. No expenditure can be made unless there is a budget available or an approved budget amendment has been submitted. Department head and management will review the budget variances on a regular basis and the budget will be amended, if necessary.

B. Deficit Fund Equity

At September 30, 2020, the PGBT Reinvestment Zone TIF and Station Reinvestment Zone had a deficit fund balance of $1,184,177 and $17,860, respectively. The deficits will be eliminated in the future with continued development of the zone and issuance of new debt.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As stated in I.D.1., the City's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with original maturities of three months or less from the date of acquisition. The City's investments in 2a7-like pools such as TexPool are included in this category. Although the City's investments in TexPool are available for immediate withdrawal, disclosure of the pool's weighted average maturity and bond rating are required. The City had the following deposits considered to be cash and cash equivalents at year end:

Cash Equivalent	Value	Weighted Average Maturity	Credit Rating
Bank deposits	$ 2,618,000	-	-
Money market accounts	18,802,956	-	-
External investment pools			
TexPool	9,527,209	38 days	AAAm
Total fair value	$ 30,948,165		

The discretely presented component units, Sachse EDC and MDD, had the following deposits considered to be cash and cash equivalents at year end:

Cash Equivalent	Value
Bank deposits	$ 297,743
Money market account	2,360,606
Total fair value	$ 2,658,349

As of September 30, 2020, the primary government had the following investments:

Investment Type	Value	Weighted Average Maturity (Years)
Certificates of deposit	$ 20,116,053	0.56

Interest rate risk In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average of maturity not to exceed five years; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations; monitoring credit ratings of portfolio position to assure compliance with rating requirements imposed by the Public Funds Investment Act; and invest operating funds primarily in short-term securities or similar government investment pools.

Credit risk The City's investment policy limits investments to obligations of the United States, State of Texas, or their agencies and instrumentalities with an investment quality rating of not less than "A" or its equivalent, by a nationally recognized investment rating firm. Other obligations must be unconditionally guaranteed (either express or implied) by the full faith and credit of the United States Government or the issuing U.S. agency and investment pools with an investment quality not less than AAA or AAA-m, or equivalent, by at least one nationally recognized rating service. As of September 30, 2020, the City's investment in TexPool was rated AAAm by Standard & Poor's.

Custodial credit risk – deposits In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. As of September 30, 2020, the market values of pledged securities and FDIC exceeded bank balances.

Custodial credit risk – investments For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that it will seek to safekeeping securities at financial institutions, avoiding

physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the City's safekeeping account prior to the release of funds.

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rate TexPool AAAm. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review. There were no limitations or restrictions on withdrawals.

B. Receivables

The following comprise receivable balances of the primary government at year end:

	General	Debt Service	Street Maintenance	Special Revenue	Water & Sewer	Total
Property taxes	$ 153,881	$ 55,270	$ -	$ -	$ -	$ 209,151
Sales tax	370,726	-	91,244	-	-	461,970
Franchise taxes	280,250	-	-	-	-	280,250
Fines	192,422	-	-	-	-	192,422
EMS	240,809	-	-	-	-	240,809
Accounts	-	-	-	-	1,436,551	1,436,551
Other	246,461	-	-	620,331	9	866,801
Allowance	(356,838)	-	-	-	(39,986)	(396,824)
	$ 1,127,711	$ 55,270	$ 91,244	$ 620,331	$ 1,396,574	$ 3,291,130

The following comprise receivable balances of the component units at year end:

	Sachse EDC	Sachse MDD	Total
Sales tax	$ 182,425	$ 84,384	$ 266,809
	$ 182,425	$ 84,384	$ 266,809

C. Capital Assets

A summary of changes in governmental activities capital assets for the year end was as follows:

	Beginning Balances	Increases	Decreases/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	$ 8,895,278	$ 1,058,552	$ -	$ 9,953,830
Construction in progress	8,009,311	4,803,708	(8,650,340)	4,162,679
Total capital assets not being depreciated	16,904,589	5,862,260	(8,650,340)	14,116,509
Capital assets, being depreciated:				
Buildings and improvements	20,159,151	6,348	7,370,706	27,536,205
Vehicles and equipment	11,639,290	1,142,518	518,359	13,300,167
Infrastructure	130,474,065	4,195,074	182,862	134,852,001
Total capital assets being depreciated	162,272,506	5,343,940	8,071,927	175,688,373
Less accumulated depreciation				
Buildings and improvements	8,900,239	1,119,938	(126,148)	9,894,029
Vehicles and equipment	6,667,930	780,468	(416,719)	7,031,679
Infrastructure	74,045,359	3,035,475	-	77,080,834
Total accumulated depreciation	89,613,528	4,935,881	(542,867)	94,006,542
Net capital assets being depreciated	72,658,978	408,059	8,614,794	81,681,831
Total Capital Assets	$ 89,563,567	$ 6,270,319	$ (35,546)	$ 95,798,340

Depreciation was charged to governmental functions as follows:

General government	$ 417,545
Public safety	708,643
Public works	3,267,299
Culture and recreation	529,279
Community development	13,115
Total Governmental Activities Depreciation Expense	$ 4,935,881

A summary of changes in business-type activities capital assets for the year end was as follows:

	Beginning Balances	Increases	Decreases/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	$ 880,675	$ -	$ -	$ 880,675
Construction in progress	12,039,069	1,825,829	-	13,864,898
Total capital assets not being depreciated	12,919,744	1,825,829	-	14,745,573
Capital assets, being depreciated:				
Buildings and improvements	313,503	-	(63,211)	250,292
Vehicles and equipment	1,412,696	360,529	(21,662)	1,751,563
Infrastructure	53,090,672	1,413,198	-	54,503,870
Total capital assets being depreciated	54,816,871	1,773,727	(84,873)	56,505,725
Less accumulated depreciation				
Buildings and improvements	278,132	2,814	(45,912)	235,034
Vehicles and equipment	1,037,223	75,090	(21,662)	1,090,651
Infrastructure	31,962,477	1,778,100	-	33,740,577
Total accumulated depreciation	33,277,832	1,856,004	(67,574)	35,066,262
Net capital assets being depreciated	21,539,039	(82,277)	(17,299)	21,439,463
Total Capital Assets	$ 34,458,783	$ 1,743,552	$ (17,299)	$ 36,185,036

Depreciation was charged to business-type activities as follows:

Water	$ 1,089,844
Sewer	766,160
Total Business-Type Activities Depreciation Expense	$ 1,856,004

D. Other Long-term Liabilities

The following summarizes the changes in the City's other long-term liabilities for the year ended. In general, the City uses the general fund and water and sewer fund to liquidate compensated absences.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Compensated Absences	$ 660,212	$ 623,617	$ (515,883)	$ 767,946	$ 691,151
Total Governmental Activities	$ 660,212	$ 623,617	$ (515,883)	$ 767,946	$ 691,151
Other Long-term Liabilities Due in More than One Year				$ 76,795	
Business-Type Activities:					
Compensated Absences	$ 34,636	$ 49,764	$ (37,254)	$ 47,146	$ 42,431
Total Business-Type Activities	$ 34,636	$ 49,764	$ (37,254)	$ 47,146	$ 42,431
Other Long-term Liabilities Due in More than One Year				$ 4,715	
Component Unit Activities - Sachse EDC:					
Compensated Absences	$ 2,145	$ 8,684	$ (4,003)	$ 6,826	$ 6,143
Total Component Unit Activities	$ 2,145	$ 8,684	$ (4,003)	$ 6,826	$ 6,143
Other Long-term Liabilities Due in More than One Year				$ 683	

E. Long-term Debt

The following is a summary of changes in the City's total governmental long-term liabilities for the year ended. The general fund and utility funds have typically been used to liquidate the liability for compensated absences for the primary government.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
Governmental Activities:					
Bonds, notes and other payables:					
Certificates of Obligations	$ 10,080,000	$ -	$ (280,000)	$ 9,800,000	$ 295,000
General Obligation Bonds	28,970,000	-	(1,655,000)	27,315,000	825,000
Discount	(2,437)	-	1,173	(1,264)	-
Premium	2,467,981	-	(198,447)	2,269,534	-
Tax notes	710,000	2,070,000	(1,485,000)	1,295,000	320,000
Total Governmental Activities	$ 42,225,544	$ 2,070,000	$ (3,617,274)	$ 40,678,270	$ 1,440,000
Long-term liabilities due in more than one year				$ 39,238,270	
Business-Type Activities:					
Bonds, notes and other payables:					
Certificates of Obligation	$ 12,265,000	$ -	$ (230,000)	$ 12,035,000	$ 240,000
General Obligation Bonds	380,000	-	(125,000)	255,000	125,000
Premium	427,845	-	(28,841)	399,004	-
Total Business-Type Activities	$ 13,072,845	$ -	$ (383,841)	$ 12,689,004	$ 365,000
Long-term liabilities due in more than one year				$ 12,324,004	

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. The City intends to retire all of its general long-term liabilities, plus accrued interest, from property taxes and other current revenues from the debt service fund as has been done in prior years. The business-type long-term debt will be repaid, plus accrued interest, from operating revenues of the water and sewer fund.

Long-term debt at year end was comprised of the following debt issues:

Description	Interest Rates	Original Balance	Current Balance
Governmental Activities:			
2009 General obligation refunding and improvement bonds	3.0-5.88%	$ 34,560,000	$ 400,000
2015 General obligation refunding and improvement bonds	2.0-4.0%	9,470,000	8,820,000
2016 General obligation refunding bonds	2.0-4.0%	20,025,000	18,095,000
2016 Tax notes	2.0-4.0%	1,200,000	540,000
2017A Certificates of obligation	3.0-4.0%	10,590,000	9,800,000
2019 Tax notes	1.17%	2,070,000	755,000
Total Governmental Activities		$ 77,915,000	$ 38,410,000
Business-type Activities:			
2016 General obligation refunding bonds	2.0-4.0%	$ 620,000	$ 255,000
2017 Certificates of obligation	3.0-4.0%	12,670,000	12,035,000
Total Business-Type Activities		$ 13,290,000	$ 12,290,000
Total		$ 91,205,000	$ 50,700,000

The annual requirements to amortize governmental activities debt issues outstanding at year ending were as follows:

Year ending	General Obligation Bonds		Tax Notes		Certificates of Obligation	
September 30,	Principal	Interest	Principal	Interest	Principal	Interest
2021	$ 825,000	$ 939,438	$ 320,000	$ 24,371	$ 295,000	$ 333,638
2022	1,775,000	889,795	330,000	17,399	305,000	321,639
2023	1,825,000	844,745	335,000	9,359	315,000	309,239
2024	1,885,000	789,413	155,000	3,976	330,000	296,338
2025	1,935,000	731,657	155,000	1,325	345,000	282,838
2026	1,995,000	671,532	-	-	360,000	268,738
2027	2,065,000	599,451	-	-	375,000	254,038
2028	2,155,000	514,538	-	-	390,000	238,738
2029	1,810,000	434,722	-	-	405,000	222,838
2030	1,885,000	360,300	-	-	420,000	206,338
2031	1,970,000	282,675	-	-	435,000	189,238
2032	2,315,000	196,418	-	-	455,000	173,713
2033	2,400,000	112,331	-	-	465,000	159,913
2034	2,475,000	37,418	-	-	480,000	585,039
2035 - 2042	-	-	-	-	4,425,000	-
Total	$ 27,315,000	$ 7,404,433	$ 1,295,000	$ 56,429	$ 9,800,000	$ 4,198,423

The annual requirements to amortize business-type activities debt issues outstanding at year ending were as follows:

Year ending	General Obligation Bonds		Certificates of Obligation	
September 30,	Principal	Interest	Principal	Interest
2021	$ 125,000	$ 3,850	$ 240,000	$ 401,913
2022	130,000	1,300	250,000	392,112
2023	-	-	405,000	379,013
2024	-	-	415,000	362,612
2025 - 2042	-	-	435,000	345,613
2025 - 2042	-	-	10,290,000	2,977,857
Total	$ 255,000	$ 5,150	$ 12,035,000	$ 4,859,120

F. Deferred Charges on Refunding

Deferred charges resulting from the issuance of series 2009, 2015, and 2016 general obligation refunding and improvement bonds have been recorded as deferred outflows of resources and are being amortized to interest expense over the shorter of either the remaining term of the refunded debt or the refunding certificates of obligation. Current year balances for governmental activities totaled $2,150,601 and $37,961 for business-type

activities. Current year amortization expense for governmental activities totaled $187,535 and $3,451 for business-type activities.

G. Interfund Transactions

Transfers between the primary government funds during the 2020 year were as follows:

	Transfers In			
Transfers Out	**General**	**Capital Projects**	**Water & Sewer**	**Total Transfers Out**
General	$ -	$ 4,558,060	$ -	$ 4,558,060
Debt service	-	2,030,680	-	2,030,680
Impact fee	-	763,108	1,107,045	1,870,153
Water and sewer	1,855,962	689,000	-	2,544,962
Total	$ 1,855,962	$ 8,040,848	$ 1,107,045	$ 11,003,855

Transfers from the water and sewer fund were made for operations support costs borne by the general fund. Transfers from the general fund to the capital projects fund were made for construction projects.

The compositions of interfund balances as of year end were as follows:

	Advances from other funds (Payable fund):
Advances to other funds (Receiving fund):	**PGBT Reinvestment Zone**
Water & Sewer	$ 357,286
Sachse EDC	823,867
	$ 1,181,153

	Due to other funds (Payable fund):		
Due from other funds (Receiving fund):	**Station Reinvestment Zone**	**PGBT Reinvestment Zone**	**Total**
Capital projects	$ 17,635	$ 2,541	$ 20,176
	$ 17,635	$ 2,541	$ 20,176

The purpose of interfund receivables and payables is to loan cash between funds. All balances are expected to be settled with issuance of new debt or the collection of property taxes.

As of year end, the Water and Sewer fund and Sachse Economic Development fund has advanced the PGBT Reinvestment Zone $357,286 and $823,867, respectively for a major sewer expansion project. The advances will be paid back by future property tax.

H. Assigned Fund Balance

The City assigns fund balance for expenditures designated for specific purposes.

	Capital Projects
Assigned for:	
Vehicle replacement	$ 682,802
Total	$ 682,802

I. Restricted Net Position

The City records restricted net position to indicate that a portion is legally restricted for a specific future use.

The following is a list of restricted net position of the City:

	Governmental Activities	Sachse EDC	Sachse MDD
Restricted for:			
Debt service	$ 890,680	$ -	$ -
Capital improvements	11,361,241	-	-
* Municipal court	366,489	-	-
* Street maintenance	353,549	-	-
Economic development	-	5,211,294	-
Municipal development	-	-	686,443
Total	$ 12,971,959	$ 5,211,294	$ 686,443

* Restricted by enabling legislation

V. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the City

participates along with over 2,800 other entities in the Texas Municipal League's Intergovernmental Risk Pools. The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

B. Contingent Liabilities

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

GASB 62 defines probability of loss contingencies as the following:

Probable. The future event or events are likely to occur.
Reasonably possible. The chance of the future event or events occurring is more than remote but less than likely.
Remote. The chance of the future event or events occurring is slight.

Liabilities are recorded when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors.

The City is currently involved in a lawsuit with estimated damage claims in excess of $10 million dollars. The City estimates it has a 70% chance of prevailing in this case and that this loss contingency is reasonably possible, but not probable.

C. Construction Commitments

The government has active construction projects as of September 30, 2020. The projects include street construction and improvements and the construction of additional water lines and repairs.

At year end the government's commitments with contractors are as follows:

Government Activities:

Project Description	Contract Amount	Expended to Date	Remaining Commitment
5th Street/Sachse Road	$ 6,300,000	$ 1,992,183	$ 4,307,817
City Hall 2nd Floor Remodel	192,390	69,481	122,909
	$ 6,492,390	$ 2,061,664	$ 4,430,726

Business-Type Activities:

Project Description	Contract Amount	Expended to Date	Remaining Commitment
Elevated Water Tower	$ 2,697,000	$ 2,626,793	$ 70,207
Southeast Lift Station	2,896,811	2,794,484	102,327
	$ 5,593,811	$ 5,421,277	$ 172,534

D. Pension Plans

1. Texas Municipal Retirement Systems

Plan Description

The City of Sachse participates as one of 888 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

All eligible employees of the city are required to participate in TMRS.

2. Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

Plan provisions for the City were as follows:

	Plan Year 2019	Plan Year 2018
Employee deposit rate	7.0%	7.0%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating Transfers	100% Repeating Transfers
Annuity increase (to retirees)	70% of CPI	70% of CPI

Employees covered by benefit terms

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	85
Inactive employees entitled to but not yet receiving benefits	138
Active employees	155
Total	378

3. Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as

adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Sachse were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Sachse were 14.79% and 14.64% in calendar years 2019 and 2020, respectively. The City's contributions to TMRS for the year ended September 30, 2020, were $1,564,971, and were equal to the required contributions.

4. Net Pension Liability

The city's Net Pension Liability (NPL) was measured as of December 31, 2019, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5 to 10.50% per year including inflation
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation.

The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
Total	100.0%	

Discount Rate:

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
$ 10,923,590	$ 4,657,840	$ (348,586)

Changes in the Net Pension Liability:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at 12/31/18	**$** 33,670,112	**$** 26,506,166	**$** 7,163,946
Changes for the year:			
Service Cost	1,824,297	-	1,824,297
Interest	2,301,736	-	2,301,736
Difference between expected and actual experience	(403,321)	-	(403,321)
Changes of assumptions	70,676	-	70,676
Contributions – employer	-	1,506,494	(1,506,494)
Contributions – employee	-	713,014	(713,014)
Net investment income	-	4,103,835	(4,103,835)
Benefit payments, including refunds of emp. contributions	(964,941)	(964,941)	-
Administrative expense	-	(23,154)	23,154
Other changes	-	(695)	695
Net changes	2,828,447	5,334,553	(2,506,106)
Balance at 12/31/19	**$** 36,498,559	**$** 31,840,719	**$** 4,657,840

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

5. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2020, the City recognized pension expense of $1,920,246.

At September 30, 2020, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences between expected and actual economic experience	$ -	$ (42,868)
Changes in actuarial assumptions	51,419	-
Difference between projected and investment earnings	-	(946,845)
Contributions subsequent to the measurement date	1,124,211	-
Total	$ 1,175,630	$ (989,713)

The City reported $1,124,211 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2020	$ (140,833)
2021	(322,851)
2022	(11,680)
2023	(462,930)
2023	-
Thereafter	-
Total	$ (938,294)

Other Postemployment Benefits

The City also participates in a defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The City elected, by ordinance, to provide group-term

life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for $7,500; this coverage is an "other postemployment benefit," or OPEB. The SDBF covers both active and retiree benefits with no segregation of assets and, therefore, doesn't meet the definition of a trust under GASB No. 75, paragraph 4b, (i.e., no assets are accumulated for OPEB). As such, the SDBF is considered to be a single-employer unfunded OPEB plan (and not a cost sharing plan) with benefit payments treated as being equal to the employer's yearly contributions for retirees.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

The City offers supplemental death to:	Plan Year 2018	Plan Year 2019
Active employees (yes or no)	Yes	Yes
Retirees (yes or no)	Yes	Yes

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

The City's contributions to the TMRS SDBF for the years ended 2020, 2019 and 2018 were $2,132, $1,984 and $1,383, respectively, which equaled the required contributions each year.

Schedule of Contribution Rates
(RETIREE-only portion of the rate)

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2018	0.02%	0.02%	100.0%
2019	0.02%	0.02%	100.0%
2020	0.02%	0.02%	100.0%

Employees covered by benefit terms

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	55
Inactive employees entitled to but not yet receiving benefits	26
Active employees	155
Total	236

Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2019, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5% to 10.5%, including inflation per year
Discount rate	2.75%
Retirees' share of benefit-related costs	$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 2.75%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2019.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 2.75%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.75%) or 1-percentage-point higher (3.75%) than the current rate:

1% Decrease (1.75%)	Current Single Rate Assumption 2.75%	1% Increase (3.75%)
$ 512,310	$ 410,185	$ 333,150

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/18	**$** 311,356
Changes for the year:	
Service Cost	17,316
Interest	11,835
Difference between expected and actual experience	(4,174)
Changes of assumptions	75,889
Benefit payments	(2,037)
Net changes	98,829
Balance at 12/31/19	**$** 410,185

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2020, the City recognized OPEB expense of $40,399.

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Changes in actuarial assumption changes	$ 59,727	-
Difference between expected and actual experience	-	7,611
Contributions subsequent to measurement date	1,536	-
Total	**$** 61,263	**$** 7,611

The City reported $1,536 as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the OPEB liability for the year ending September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in pension expense as follows:

Year ended December 31:	
2020	$ 11,248
2021	11,248
2022	11,200
2023	6,566
2024	11,854
Thereafter	-
	$ 52,116

E. Tax Abatement Disclosures

The City has entered into sales tax abatement agreements with local businesses under Chapter 380 of the Texas Local Government Code. Under the terms of the City's agreements, the City will refund 80% of the City's portion of sales tax paid by the businesses annually. There are currently two existing agreements expiring October 20, 2025 and March 7, 2025. The City abated $25,484 under these agreements during the current year.

The Sachse EDC entered into a sales tax with a local business under Chapters 501-505 of the Texas Local Government Code. Under the terms of the Sachse EDC's agreement, 80% of its sales tax receipts related to sales generated by the business. The maximum amount of this sales tax agreement is $282,712. This agreement expires January 23, 2023. The Sachse EDC did not abate any taxes related to this agreement in the current year.

F. Subsequent Events

On October 20, 2020, the City issued $2,635,000 of Tax Notes, Series 2020, with an interest rate of 0.59%. The City will make a debt service payment for $2,219,477 in February 2021.

There were no other material subsequent events through February 10, 2021, the date the financial statements were issued.

The City of
SACHSE

REQUIRED SUPPLEMENTARY INFORMATION

City of Sachse, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND (Page 1 of 2)

For the Year Ended September 30, 2020

	Original Budget	Final Budget	2020 Actual	Variance with Final Budget Positive (Negative)	
Revenues					
Property tax	$ 12,586,210	$ 12,586,210	$ 12,795,698	$ 209,488	
Sales tax	1,633,000	1,633,000	2,000,472	367,472	
Franchise and local taxes	1,223,500	1,223,500	1,178,266	(45,234)	
License, permits and fees	1,410,500	1,410,500	2,300,683	890,183	
Intergovernmental	521,522	726,130	648,953	(77,177)	
Fines and forfeitures	250,000	250,000	207,587	(42,413)	
Investment income	100,000	100,000	167,933	67,933	
Grants and donations	-	-	3,655	3,655	
Other revenue	58,618	58,618	70,748	12,130	
Total Revenues	17,783,350	17,987,958	19,373,995	1,386,037	
Expenditures					
Current:					
General government					
City manager	739,399	679,399	666,087	13,312	
City secretary	192,702	232,702	228,125	4,577	
Human resources	393,974	385,974	375,768	10,206	
Finance	684,177	566,677	536,665	30,012	
Municipal court	242,307	242,307	213,574	28,733	
IT	666,473	666,473	588,450	78,023	
Public safety					
Police	5,276,749	5,246,749	5,094,478	152,271	
Animal control	227,917	217,917	203,361	14,556	
Fire and ambulance	4,337,020	4,918,628	4,664,871	253,757	
Public works					
Streets	1,371,069	1,371,069	1,299,464	71,605	
Facility maintenance	506,332	556,332	462,145	94,187	
City engineer	343,625	344,625	353,883	(9,258)	*
Culture and recreation					
Parks and recreation	1,251,481	1,261,481	1,204,817	56,664	
Seniors	147,698	137,698	128,750	8,948	
Library services	439,632	439,632	441,379	(1,747)	*
Community development	696,318	696,318	678,081	18,237	
Nondepartmental	407,310	464,810	456,715	8,095	
Capital outlay	80,900	80,900	77,715	3,185	
Total Expenditures	18,005,083	18,509,691	17,674,328	835,363	
Revenues Over (Under) Expenditures	(221,733)	(521,733)	1,699,667	2,221,400	

City of Sachse, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND (Page 2 of 2)

For the Year Ended September 30, 2020

	Original Budget	Final Budget	2020 Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses)				
Transfers in	1,804,137	1,804,137	1,855,962	51,825
Transfers (out)	(1,558,060)	(4,558,060)	(4,558,060)	-
Sale of general capital assets	-	-	762,594	762,594
Total Other Financing Sources (Uses)	246,077	(2,753,923)	(1,939,504)	814,419
Net Change in Fund Balance	$ 24,344	$ (3,275,656)	(239,837)	$ 3,035,819
Beginning fund balance			10,432,608	
Ending Fund Balance			$ 10,192,771	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

* 2. Expenditures exceeded appropriations at the legal level of control.

The City of
SACHSE

City of Sachse, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

IMPACT FEE FUND

For the Year Ended September 30, 2020

	Original Budget	Final Budget	2020 Actual	Variance with Final Budget Positive (Negative)	
Revenues					
Impact and development fees	$ 525,000	$ 525,000	$ 1,729,653	$ 1,204,653	
Investment income	25,000	25,000	32,812	7,812	
Total Revenues	550,000	550,000	1,762,465	1,212,465	
Expenditures					
Public works - sewer	-	-	23,075	(23,075)	*
Capital outlay	-	-	34,149	(34,149)	*
Total Expenditures	-	-	57,224	(57,224)	
Revenues Over (Under) Expenditures	550,000	550,000	1,705,241	1,155,241	
Other Financing Sources (Uses)					
Transfers (out)	(1,810,108)	(1,870,153)	(1,870,153)	-	
Total Other Financing Sources (Uses)	(1,810,108)	(1,870,153)	(1,870,153)	-	
Net Change in Fund Balance	$ (1,260,108)	$ (1,320,153)	(164,912)	$ 1,155,241	
Beginning fund balance			3,300,260		
Ending Fund Balance			$ 3,135,348		

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles

* 2. Expenditures exceeded appropriations at the legal level of control.

City of Sachse, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Years Ended:

	12/31/2019	12/31/2018	12/31/2017
Total pension liability			
Service cost	$ 1,824,297	$ 1,745,860	$ 1,626,583
Interest	2,301,736	2,093,509	1,869,149
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(403,321)	198,661	688,777
Changes of assumptions	70,676	-	-
Benefit payments, including refunds of participant contributions	(964,941)	(1,019,862)	(820,744)
Net change in total pension liability	2,828,447	3,018,168	3,363,765
Total pension liability - beginning	$ 33,670,112	$ 30,651,944	$ 27,288,179
Total pension liability - ending (a)	$ 36,498,559	$ 33,670,112	$ 30,651,944
Plan fiduciary net position			
Contributions - employer	$ 1,506,494	$ 1,397,265	$ 1,258,456
Contributions - members	713,014	674,077	626,979
Net investment income	4,103,835	(787,492)	3,070,840
Benefit payments, including refunds of participant contributions	(964,941)	(1,019,862)	(820,744)
Administrative expenses	(23,154)	(15,202)	(15,902)
Other	(695)	(793)	(805)
Net change in plan fiduciary net position	5,334,553	247,993	4,118,824
Plan fiduciary net position - beginning	26,506,166	26,258,173	22,139,349
Plan fiduciary net position - ending (b)	$ 31,840,719	$ 26,506,166	$ 26,258,173
Fund's net pension liability - ending (a) - (b)	$ 4,657,840	$ 7,163,946	$ 4,393,771
Plan fiduciary net position as a percentage of the total pension liability	87.24%	78.72%	85.67%
Covered payroll	$ 10,185,912	$ 9,629,676	$ 8,956,953
Fund's net position as a percentage of covered payroll	45.73%	74.39%	49.05%

Notes to schedule:

[1] This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

12/31/2016	12/31/2015	12/31/2014 [1]
$ 1,521,822	$ 1,293,172	$ 1,042,550
1,663,017	1,563,772	1,430,625
-	-	-
596,374	(79,733)	(127,842)
-	110,669	-
(738,818)	(670,232)	(466,852)
3,042,395	2,217,648	1,878,481
$ 24,245,784	$ 22,028,136	$ 20,149,655
$ 27,288,179	$ 24,245,784	$ 22,028,136
$ 1,132,714	$ 982,512	$ 770,437
590,835	520,242	458,268
1,340,941	28,020	986,994
(738,818)	(670,232)	(466,852)
(15,135)	(17,065)	(10,302)
(815)	(843)	(847)
2,309,722	842,634	1,737,698
19,829,627	18,986,993	17,249,295
$ 22,139,349	$ 19,829,627	$ 18,986,993
$ 5,148,830	$ 4,416,157	$ 3,041,143
81.13%	81.79%	86.19%
$ 8,440,501	$ 7,432,025	$ 6,546,680
61.00%	59.42%	46.45%

City of Sachse, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

TEXAS MUNICIPAL RETIREMENT SYSTEM

Years Ended:

	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Actuarially determined employer contributions	$ 1,564,971	$ 1,459,900	$ 1,370,165	$ 1,225,344
Contributions in relation to the actuarially determined contribution	$ 1,564,971	$ 1,459,900	$ 1,370,165	$ 1,225,344
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Annual covered payroll	$ 10,659,160	$ 9,922,284	$ 9,525,614	$ 8,833,157
Employer contributions as a percentage of covered payroll	14.68%	14.71%	14.38%	13.87%

[1] This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Valuation Date:

Notes	Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	26 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes	There were no benefit changes during the year.

	9/30/2016		9/30/2015 [1]
$	1,106,275	$	893,569
$	1,106,275	$	893,569
$	-	$	-
$	8,185,274	$	7,047,207
	13.52%		12.68%

City of Sachse, Texas

SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) LIABILITY AND RELATED RATIOS

TEXAS MUNICIPAL RETIREMENT SYSTEM

SUPPLEMENTAL DEATH BENEFITS PLAN

Years Ended December 31,

	2019	2018	2017 [1]
Total OPEB liability			
Service cost	$ 17,316	$ 23,111	$ 18,810
Interest	11,835	10,685	10,028
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(4,174)	(6,206)	-
Changes of assumptions	75,889	(26,515)	28,386
Benefit payments, including refunds of participant contributions	(2,037)	(1,926)	(1,791)
Net change in total OPEB liability	98,829	(851)	55,433
Total OPEB liability - beginning	$ 311,356	$ 312,207	$ 256,774
Total OPEB liability - ending	$ 410,185	$ 311,356	$ 312,207 [2]
Covered payroll	$ 10,185,912	$ 9,629,676	$ 8,956,953
Fund's net position as a percentage of covered payroll	4.03%	3.23%	3.49%

Notes to schedule:

[1] This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

[2] No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

OTHER SUPPLEMENTARY INFORMATION

The City of
SACHSE

NONMAJOR GOVERNMENTAL FUNDS

STREET MAINTENANCE FUND

The street maintenance fund is used to account for a sales tax restricted for street maintenance within the City.

SPECIAL REVENUE FUND

The special revenue fund is used to account for proceeds of specific revenue sources that are legally restricted for use of specific purposes.

City of Sachse, Texas

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2020

	Street Maintenance	Special Revenue	Total Nonmajor Governmental
Assets			
Cash and cash equivalents	$ 262,305	$ 2,514,548	$ 2,776,853
Receivables	91,244	620,331	711,575
Total Assets	$ 353,549	$ 3,134,879	$ 3,488,428
Liabilities			
Accounts payable	$ -	$ 199,920	$ 199,920
Total Liabilities	-	199,920	199,920
Deferred Inflows of Resources			
Grant revenue	-	270,491	270,491
Fund Balances			
Restricted for:			
Capital improvements	-	2,297,979	2,297,979
Street maintenance	353,549	-	353,549
Municipal court	-	366,489	366,489
Total Fund Balances	353,549	2,664,468	3,018,017
Total Liabilities and Fund Balances	$ 353,549	$ 3,134,879	$ 3,488,428

City of Sachse, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2020

	Street Maintenance	Special Revenue	Total Nonmajor Governmental
Revenues			
Impact and development fees	$ -	$ 320,100	$ 320,100
Sales taxes	499,086	-	499,086
Franchise and local taxes	-	28,154	28,154
Intergovernmental	209,096	1,431,662	1,640,758
Fines and forfeitures	-	38,553	38,553
Donations	-	6,701	6,701
Investment income	109	10,320	10,429
Total Revenues	708,291	1,835,490	2,543,781
Expenditures			
Public safety	-	413,022	413,022
Capital outlay	630,294	-	630,294
Total Expenditures	630,294	413,022	1,043,316
Revenues Over (Under) Expenditures	77,997	1,422,468	1,500,465
Net Change in Fund Balances	77,997	1,422,468	1,500,465
Beginning fund balances	275,552	1,242,000	1,517,552
Ending Fund Balances	$ 353,549	$ 2,664,468	$ 3,018,017

City of Sachse, Texas

COMBINING BALANCE SHEET

TAX INCREMENT REINVESTMENT ZONES

September 30, 2020

	PGBT Reinvestment Zone	Station Reinvestment Zone	Total Tax Increment Reinvestment Zones
Liabilities			
Accounts payable accrued liabilities	$ 483	$ 225	$ 708
Due to other funds	2,541	17,635	20,176
Advances from other funds	357,286	-	357,286
Advances from other governments	823,867	-	823,867
Total Liabilities	1,184,177	17,860	1,202,037
Fund Balances			
Unassigned	(1,184,177)	(17,860)	(1,202,037)
Total Fund Balances	(1,184,177)	(17,860)	(1,202,037)
Total Liabilities and Fund Balances	$ -	$ -	$ -

City of Sachse, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
TAX INCREMENT REINVESTMENT ZONES
For the Year Ended September 30, 2020

	PGBT Reinvestment Zone	Station Reinvestment Zone	Total Tax Increment Reinvestment Zones
Revenues			
Property taxes	$ 196,386	$ -	$ 196,386
Total Revenues	196,386	-	196,386
Expenditures			
General government	3,023	17,860	20,883
Total Expenditures	3,023	17,860	20,883
Revenues Over (Under) Expenditures	193,363	(17,860)	175,503
Net Change in Fund Balances	193,363	(17,860)	175,503
Beginning fund balances	(1,377,540)	-	(1,377,540)
Ending Fund Balances (Deficit)	$ (1,184,177)	$ (17,860)	$ (1,202,037)

City of Sachse, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL DEBT SERVICE FUND

For the Year Ended September 30, 2020

	Original & Final Budget	2020 Actual	Variance with Final Budget Positive (Negative)	
Revenues				
Property tax	$ 4,713,027	$ 4,796,414	$ 83,387	
Investment income	8,000	15,542	7,542	
Total Revenues	4,721,027	4,811,956	90,929	
Expenditures				
Debt service:				
Principal	3,105,000	3,420,000	(315,000)	*
Interest	1,711,070	1,337,324	373,746	
Bond issuance costs	-	34,490	(34,490)	*
Total Expenditures	4,816,070	4,791,814	24,256	
Revenues Over (Under) Expenditures	(95,043)	20,142	66,673	
Other Financing Sources (Uses)				
Transfers (out)	-	(2,030,680)	2,030,680	
Proceeds from bond issuance	-	2,070,000	(2,070,000)	
Total Other Financing Sources (Uses)	-	39,320	(39,320)	
Net Change in Fund Balance	$ (95,043)	59,462	$ 154,505	
Beginning fund balance		831,218		
Ending Fund Balance		$ 890,680		

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

* 2. Expenditures exceeded appropriations at the legal level of control.

City of Sachse, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

STREET MAINTENANCE FUND

For the Year Ended September 30, 2020

	Original Budget	Final Budget	2020 Actual	Variance with Final Budget Positive (Negative)
Revenues				
Sales tax	$ 387,500	$ 387,500	$ 499,086	$ 111,586
Intergovernmental revenue	-	209,095	209,096	1
Investment income	1,000	1,000	109	(891)
Total Revenues	388,500	597,595	708,291	110,696
Expenditures				
Capital outlay	305,000	630,300	630,294	6
Total Expenditures	305,000	630,300	630,294	6
Net Change in Fund Balance	$ 83,500	$ (32,705)	77,997	$ 110,702
Beginning fund balance			275,552	
Ending Fund Balance			$ 353,549	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Sachse, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

SPECIAL REVENUE FUND

For the Year Ended September 30, 2020

	Original & Final Budget	2020 Actual	Variance with Final Budget Positive (Negative)	
Revenues				
Impact and development fees	$ 25,000	$ 320,100	$ 295,100	
Franchise and local taxes	27,500	28,154	654	
Intergovernmental revenue	-	1,431,662	1,431,662	
Donations	6,000	6,701	701	
Fines and forfeitures	21,000	38,553	17,553	
Investment income	1,000	10,320	9,320	
Total Revenues	80,500	1,835,490	1,754,990	
Expenditures				
Public safety	37,000	413,022	(376,022)	*
Total Expenditures	37,000	413,022	(376,022)	
Other Financing Sources (Uses)				
Transfers (out)	(10,000)	-	10,000	
Total Other Financing Sources (Uses)	(10,000)	-	10,000	
Net Change in Fund Balance	$ 33,500	1,422,468	$ 1,388,968	
Beginning fund balance		1,242,000		
Ending Fund Balance		$ 2,664,468		

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

* 2. Expenditures exceeded appropriations at the legal level of control.

City of Sachse, Texas

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

SACHSE ECONOMIC DEVELOPMENT CORPORATION

For the Year Ended September 30, 2020

	Original & Final Budget	2020 Actual	Variance with Final Budget Positive (Negative)
Revenues			
Sales tax	$ 791,850	$ 997,823	$ 205,973
Investment income	4,000	13,843	9,843
Other income	12,500	2,166	(10,334)
Total Revenues	808,350	1,013,832	205,482
Expenses			
Economic development	808,349	700,834	107,515
Total Expenses	808,349	700,834	107,515
Change in Net Position	$ 1	312,998	$ 312,997
Beginning net position		4,898,296	
Ending Net Position		$ 5,211,294	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Sachse, Texas

BALANCE SHEET

DISCRETELY PRESENTED COMPONENT UNITS

September 30, 2020

	Sachse EDC	Sachse MDD	Total
Assets			
Cash and cash equivalents	$ 2,046,156	$ 612,193	$ 2,658,349
Receivables, net	182,425	84,384	266,809
Assets held for sale	2,197,982	-	2,197,982
Total Current Assets	4,426,563	696,577	5,123,140
Noncurrent Assets			
Advances to primary government	823,867	-	823,867
Total Noncurrent Assets	823,867	-	823,867
Total Assets	5,250,430	696,577	5,947,007
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	32,310	10,134	42,444
Total Liabilities	32,310	10,134	42,444
Fund Balances			
Nonspendable for:			
Interfund advances	823,867	-	823,867
Restricted for:			
Economic development	4,394,253	-	4,394,253
Municipal development	-	686,443	686,443
Total Fund Balances	5,218,120	686,443	5,904,563
Total Liabilities and Fund Balances	$ 5,250,430	$ 696,577	$ 5,947,007

See Notes to Financial Statements.

City of Sachse, Texas

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
September 30, 2020

Fund Balances	$	5,904,563
Adjustments for the Statement of Net Position:		
Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.		
Compensated absences - Sachse EDC		(6,826)
Net Position of the Discretely Presented Component Units	$	5,897,737

City of Sachse, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DISCRETELY PRESENTED COMPONENT UNITS
For the Year Ended September 30, 2020

	Sachse EDC	Sachse MDD	Total
Revenues			
Sales taxes	$ 997,823	$ 466,849	$ 1,464,672
Investment income	13,843	670	14,513
Other revenues	2,166	-	2,166
Total Revenues	1,013,832	467,519	1,481,351
Expenditures			
Economic development	696,153	-	696,153
Park development	-	15,353	15,353
Capital outlay	-	79,715	79,715
Total Expenditures	696,153	95,068	791,221
Excess of Revenues Over (Under) Expenditures	317,679	372,451	690,130
Net Change in Fund Balances	317,679	372,451	690,130
Beginning fund balances	4,900,441	313,992	5,214,433
Ending Fund Balances	$ 5,218,120	$ 686,443	$ 5,904,563

See Notes to Financial Statements.

City of Sachse, Texas

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE DISCRETELY PRESENTED COMPONENT UNITS TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2020

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances	$	690,130
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences		(4,681)
Change in Net Position of the Discretely Presented Component Units	$	685,449

The City of
SACHSE

STATISTICAL SECTION

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents **Page**

Financial Trends 118

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity 129

These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.

Debt Capacity 136

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information 141

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information 141

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

City of Sachse, Texas

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(accrual basis of accounting)

	2011	2012	2013	2014
Governmental Activities				
Net investment in capital assets	$ 36,887,507	$ 36,691,052	$ 37,377,384	$ 48,982,879
Restricted	5,622,243	12,723,690	14,002,442	9,721,020
Unrestricted	3,560,788	2,628,448	3,436,221	(1,414,544)
Total Governmental Activities Net Position	$ 46,070,538	$ 52,043,190	$ 54,816,047	$ 57,289,355
Business-type Activities				
Net investment in capital assets	$ 16,769,366	$ 16,223,230	$ 16,169,507	$ 18,603,126
Unrestricted	3,051,716	3,442,913	2,600,084	2,586,599
Total Business-type Activities Net Position	$ 19,821,082	$ 19,666,143	$ 18,769,591	$ 21,189,725
Primary Government				
Net investment in capital assets	$ 53,656,873	$ 52,914,282	$ 53,546,891	$ 67,586,005
Restricted	5,622,243	12,723,690	14,002,442	9,721,020
Unrestricted	6,612,504	6,071,361	6,036,305	1,172,055
Total Primary Government Net Position	$ 65,891,620	$ 71,709,333	$ 73,585,638	$ 78,479,080

Source: City's Audited Financial Statements

2015	2016	2017	2018	2019	2020
$ 49,395,981	$ 52,071,872	$ 50,617,047	$ 57,841,667	$ 58,662,282	$ 64,478,316
11,827,722	8,618,633	13,205,846	5,906,413	7,403,116	12,971,959
(519,752)	4,049,157	4,306,816	4,229,764	6,219,720	6,027,751
$ 60,703,951	$ 64,739,662	$ 68,129,709	$ 67,977,844	$ 72,285,118	$ 83,478,026
$ 18,802,635	$ 20,509,338	$ 20,802,006	$ 26,313,666	$ 24,199,778	$ 25,534,424
4,232,573	7,450,081	9,203,735	9,233,900	13,145,910	15,218,006
$ 23,035,208	$ 27,959,419	$ 30,005,741	$ 35,547,566	$ 37,345,688	$ 40,752,430
$ 68,198,616	$ 72,581,210	$ 71,419,053	$ 84,155,333	$ 82,862,060	$ 90,012,740
11,827,722	8,618,633	13,205,846	5,906,413	7,403,116	12,971,959
3,712,821	11,499,238	13,510,551	13,463,664	19,365,630	21,245,757
$ 83,739,159	$ 92,699,081	$ 98,135,450	$ 103,525,410	$ 109,630,806	$ 124,230,456

City of Sachse, Texas

CHANGES IN NET POSITION

Last Ten Fiscal Years

(accrual basis of accounting)

	2011	2012	2013	2014
Expenses				
Governmental activities:				
General government	$ 2,650,864	$ 2,914,720	$ 2,837,444	$ 2,332,316
Public safety	5,990,913	5,609,669	5,858,865	6,176,967
Public works	3,489,615	3,413,399	3,654,946	3,914,293
Culture and recreation	1,343,744	1,354,401	1,359,697	1,427,948
Community development	627,009	522,175	591,605	616,439
Interest and fiscal charges	1,910,952	1,877,579	1,829,322	1,802,117
Total governmental activities	16,013,097	15,691,943	16,131,879	16,270,080
Business-type activities:				
Water and sewer	6,645,238	6,474,428	6,241,148	6,590,497
Total business-type activities	6,645,238	6,474,428	6,241,148	6,590,497
Total primary government	$ 22,658,335	$ 22,166,371	$ 22,373,027	$ 22,860,577
Program Revenues				
Governmental activities:				
Charges for services:				
General government	$ 88,284	$ 99,268	$ 24,005	$ 13,702
Public safety	475,200	569,403	791,140	952,056
Public works	2,997	-	975,880	1,458,819
Culture and recreation	70,676	-	-	-
Community development	376,788	672,699	717,682	1,055,577
Operating grants and contributions	146,815	7,414,865	763,815	7,587
Capital grants and contributions	293,001	733,599	927,450	5,054,515
Total governmental activities	1,453,761	9,489,834	4,199,972	8,542,256
Business-type activities:				
Charges for services:				
Water and sewer	4,863,884	5,273,953	7,029,639	6,866,641
Capital grants and contributions	1,127,986	385,859	477,579	2,019,038
Total business-type activities	5,991,870	5,659,812	7,507,218	8,885,679
Total primary government	$ 7,445,631	$ 15,149,646	$ 11,707,190	$ 17,427,935
Net (Expense)/Revenue				
Governmental activities	$ (14,559,336)	$ (6,202,109)	$ (11,931,907)	$ (7,727,824)
Business-type activities	(653,368)	(814,616)	1,266,070	2,295,182
Total primary government	$ (15,212,704)	$ (7,016,725)	$ (10,665,837)	$ (5,432,642)

2015	2016	2017	2018	2019	2020
$ 2,330,847	$ 2,500,102	$ 2,526,665	$ 2,878,022	$ -	$ 3,342,715
6,854,653	8,191,197	9,144,006	9,736,773	3,358,995	11,201,666
4,415,483	5,056,488	5,639,697	5,489,736	10,237,626	6,147,260
1,557,475	1,739,147	1,903,914	1,969,689	5,975,519	2,333,491
677,184	900,457	833,629	835,209	1,946,985	715,773
2,022,071	2,105,723	1,193,484	1,563,657	806,203	1,347,849
17,857,713	20,493,114	21,241,395	22,473,086	22,325,328	25,088,754
7,238,771	8,128,858	8,946,369	9,342,633	9,662,546	9,907,840
7,238,771	8,128,858	8,946,369	9,342,633	9,662,546	9,907,840
$ 25,096,484	$ 28,621,972	$ 30,187,764	$ 31,815,719	$ 31,987,874	$ 34,996,594
$ 10,750	$ 720	$ -	$ -	$ 7,610	$ 9,900
871,054	596,562	845,462	1,136,924	1,079,089	1,058,301
1,216,081	1,315,780	739,151	539,258	1,005,214	1,737,126
-	-	264,852	205,363	-	-
1,804,213	1,169,517	1,189,194	1,223,216	691,080	2,237,738
521,003	744,975	20,832	18,879	453,212	2,240,037
1,745,994	4,913,651	2,754,486	839,290	2,274,863	4,925,566
6,169,095	8,741,205	5,813,977	3,962,930	5,511,068	12,208,668
9,137,569	10,382,099	11,384,202	13,532,977	12,502,551	13,190,213
1,233,994	2,810,315	1,047,236	82,530	564,030	1,385,442
10,371,563	13,192,414	12,431,438	13,615,507	13,066,581	14,575,655
$ 16,540,658	$ 21,933,619	$ 18,245,415	$ 17,578,437	$ 18,577,649	$ 26,784,323
$ (11,688,618)	$ (11,751,909)	$ (15,427,418)	$ (18,510,156)	$ (16,814,260)	$ (12,880,086)
3,132,792	5,063,556	3,485,069	4,272,874	3,404,035	4,667,815
$ (8,555,826)	$ (6,688,353)	$ (11,942,349)	$ (14,237,282)	$ (13,410,225)	$ (8,212,271)

City of Sachse, Texas

CHANGES IN NET POSITION (Continued)

Last Ten Fiscal Years

(accrual basis of accounting)

	2011	2012	2013	2014
General Revenues				
Governmental activities:				
Taxes:				
Property taxes	$ 8,614,447	$ 9,476,356	$ 9,560,239	$ 9,951,685
Sales and other taxes	3,735,391	1,786,926	1,873,822	2,390,224
Investment earnings	50,297	35,398	30,518	30,724
Other income	5,473	30,161	80,843	280,569
Transfers, net	1,159,841	1,177,341	1,252,689	(263,672)
Total governmental activities	13,565,449	12,506,182	12,798,111	12,389,530
Business-type activities:				
Investment earnings	3,010	2,985	3,934	837
Other Income	3,069	-	271,595	-
Transfers, net	(1,159,841)	(1,177,341)	(1,252,689)	263,672
Total business-type activities	(1,153,762)	(1,174,356)	(977,160)	264,509
Total primary government	$ 12,411,687	$ 11,331,826	$ 11,820,951	$ 12,654,039
Change in Net Position				
Governmental activities	$ (993,887)	$ 6,304,073	$ 866,204	$ 4,661,706
Business-type activities	(1,807,130)	(1,988,972)	288,910	2,559,691
Total primary government	$ (2,801,017)	$ 4,315,101	$ 1,155,114	$ 7,221,397

Source: City's Audited Financial Statements

2015	2016	2017	2018	2019	2020
$ 10,938,125	$ 12,296,608	$ 13,982,042	$ 15,674,089	$ 16,746,511	$ 17,833,325
2,790,620	3,024,925	3,094,029	3,305,196	3,400,267	3,705,978
33,900	50,842	117,382	388,860	631,556	354,679
51,290	268,740	107,470	168,853	92,091	741,095
1,289,279	146,505	1,516,542	(947,605)	1,669,294	1,437,917
15,103,214	15,787,620	18,817,465	18,589,393	22,539,719	24,072,994
1,970	7,160	77,795	338,741	465,779	176,844
-	-	-	-	-	-
(1,289,279)	(146,505)	(1,516,542)	947,605	(1,669,294)	(1,437,917)
(1,287,309)	(139,345)	(1,438,747)	1,286,346	(1,203,515)	(1,261,073)
$ 13,815,905	$ 15,648,275	$ 17,378,718	$ 19,875,739	$ 21,336,204	$ 22,811,921
$ 3,414,596	$ 4,035,711	$ 3,390,047	$ 79,237	$ 5,725,459	$ 11,192,908
1,845,483	4,924,211	2,046,322	5,559,220	2,200,520	3,406,742
$ 5,260,079	$ 8,959,922	$ 5,436,369	$ 5,638,457	$ 7,925,979	$ 14,599,650

City of Sachse, Texas

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Years

(modified accrual basis of accounting)

	2011	2012	2013	2014
General fund:				
Reserved	$ -	$ -	$ -	$ -
Unreserved	-	-	-	-
Nonspendable	14,716	324,106	28,231	72,675
Assigned	-	-	-	450,000
Unassigned	3,194,885	3,490,845	4,631,243	5,568,904
Total general fund	$ 3,209,601	$ 3,814,951	$ 4,659,474	$ 6,091,579
All other governmental funds:				
Reserved for:				
Debt service	$ -	$ -	$	$ -
Unreserved, reported in:			-	
Special revenue funds	-	-	-	-
Capital projects funds	-	-	14,002,442	-
Restricted	14,330,073	12,723,690	-	10,226,460
Committed	578,537	-	-	-
Assigned	-	-	(707,251)	-
Unassigned	(1,129,437)	(711,923)	-	(614,301)
Total all other governmental funds	$ 13,779,173	$ 12,011,767	$ 13,295,191	$ 9,612,159

Source: City's Audited Financial Statements

Note: The City implemented GASB Statement 54 in fiscal year 2011.

2015	2016	2017	2018	2019	2020
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
101,621	21,970	39,463	22,833	77,251	60,847
54,000	186,340	-	-	-	-
6,546,528	7,723,757	8,829,452	8,640,784	10,355,357	10,131,924
$ 6,702,149	$ 7,932,067	$ 8,868,915	$ 8,663,617	$ 10,432,608	$ 10,192,771
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
11,827,722	13,093,851	12,911,936	21,735,771	17,130,804	20,892,477
-	-	-	-	-	-
-	186,340	293,910	625,976	788,338	682,802
(472,960)	(1,623,821)	(1,551,439)	(1,477,110)	(1,377,540)	(1,202,037)
$ 11,354,762	$ 11,656,370	$ 11,654,407	$ 20,884,637	$ 16,541,602	$ 20,373,242

City of Sachse, Texas

CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS

Last Ten Years

(modified accrual basis of accounting)

	2011	2012	2013	2014
Revenues				
Property taxes	$ 8,600,635	$ 9,477,053	$ 9,568,319	$ 9,944,708
Sales and other taxes	4,031,480	1,786,926	1,873,822	2,390,224
Licenses, permits, & fees	690,092	967,914	1,338,304	1,830,459
Grants and contributions	387,770	7,414,865	941,473	183,780
Fines and forfeitures	315,807	368,027	430,191	556,379
Impact and development fees	52,046	54,069	569,111	910,006
Investment income	50,297	35,398	30,518	30,669
Other revenue	28,301	30,161	80,843	280,569
Total Revenues	14,156,428	20,134,413	14,832,581	16,126,794
Expenditures				
General government	1,274,628	1,289,341	1,260,611	1,313,993
Public safety	5,374,003	5,011,291	5,470,231	5,278,726
Public works	1,309,120	1,300,324	1,470,995	1,344,008
Culture and recreation	1,098,286	1,109,565	1,140,846	1,114,822
Community development	623,017	518,934	588,698	569,864
Nondepartmental	1,063,452	1,094,219	1,112,937	437,015
Debt service				
Principal	865,000	945,000	1,035,000	1,125,000
Interest	1,891,787	1,862,385	1,831,270	1,799,446
Bond issuance costs	573	-	-	-
Capital outlay	3,187,154	9,342,751	1,538,289	4,141,606
Total Expenditures	16,687,020	22,473,810	15,448,877	17,124,480
Revenues Over (Under) Expenditures	(2,530,592)	(2,339,397)	(616,296)	(997,686)
Other Financing Sources (Uses)				
Transfers in	2,233,667	1,642,521	2,739,122	1,708,777
Transfers (out)	(1,369,915)	(778,769)	(1,561,781)	(2,668,521)
Debt issued	-	-	-	-
Premium on bonds issued	-	-	-	-
Payment to refunded escrow agent	-	-	-	-
Sale of capital assets	-	-	-	-
Total Other Financing Sources (Uses)	863,752	863,752	1,177,341	(959,744)
Net Change in Fund Balances	$ (1,666,840)	$ (1,475,645)	$ 561,045	$ (1,957,430)
Ratio of total debt service expenditures to noncapital	20%	21%	21%	23%

2015	2016	2017	2018	2019	2020
$ 10,928,163	$ 12,260,047	$ 14,034,836	$ 15,676,744	$ 16,708,542	17,788,498
2,790,620	3,024,925	3,094,029	3,305,196	3,400,267	3,705,978
1,612,769	1,743,628	1,598,993	1,814,494	1,577,873	2,300,683
710,470	974,489	321,583	18,879	860,091	2,413,891
458,477	291,926	252,614	270,817	303,725	246,140
1,657,973	1,022,593	883,250	95,100	504,323	2,049,753
33,900	50,842	117,228	387,954	631,556	354,679
51,290	271,595	92,796	968,855	72,938	70,748
18,243,662	19,640,045	20,395,329	22,538,039	24,059,315	28,930,370
1,601,990	1,565,175	1,425,250	1,510,028	2,511,481	3,434,072
6,274,349	7,466,728	8,293,828	8,963,876	9,154,685	9,988,757
1,781,872	1,882,251	2,626,166	2,263,665	2,350,290	2,115,492
1,269,794	1,455,952	1,564,719	1,631,189	1,557,954	1,921,627
673,506	831,719	828,351	827,741	1,027,065	678,081
493,412	564,368	669,168	769,629	376,041	341,900
1,195,000	1,325,000	2,325,000	2,330,000	3,040,000	3,420,000
1,762,998	1,672,947	1,186,303	1,435,602	1,440,823	1,337,324
177,355	372,256	-	105,000	-	34,490
2,129,457	2,445,778	2,072,876	3,722,165	6,863,467	6,395,449
17,359,733	19,582,174	20,991,661	23,558,895	28,321,806	29,667,192
883,929	57,871	(596,332)	(1,020,856)	(4,262,491)	(736,822)
1,289,279	1,841,302	3,948,013	5,089,835	3,553,012	9,896,810
-	(1,694,797)	(2,431,471)	(6,037,440)	(1,883,718)	(8,458,893)
9,470,000	21,225,000	-	10,590,000	-	2,070,000
458,338	2,204,516	-	318,393	2,070,000	-
(9,748,373)	(21,733,392)	-	-	-	-
-	-	14,675	85,000	19,153	820,708
1,469,244	1,842,629	1,531,217	10,045,788	3,758,447	4,328,625
$ 2,353,173	$ 1,900,500	$ 934,885	$ 9,024,932	$ (504,044)	3,591,803
19%	17%	19%	19%	21%	20%

The City of
SACHSE

City of Sachse, Texas

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2011	$ 1,296,895,777	$ 29,326,411	$ 92,056,890	$ 1,234,165,298	0.70582
2012	1,305,838,280	29,242,328	96,519,435	1,238,561,173	0.77082
2013	1,320,191,067	30,495,096	101,886,747	1,248,799,416	0.77082
2014	1,373,728,433	31,359,625	104,461,382	1,300,626,676	0.77082
2015	1,494,745,899	37,218,335	107,372,189	1,424,592,045	0.77082
2016	1,767,124,588	49,669,237	181,214,076	1,635,579,749	0.75728
2017	2,052,733,263	50,389,046	229,837,342	1,873,284,967	0.75728
2018	2,345,662,930	52,517,764	239,585,005	2,158,595,689	0.74728
2019	2,565,462,875	51,759,380	251,075,714	2,366,146,541	0.72000
2020	2,721,742,711	59,445,888	283,973,515	2,497,215,084	0.72000

Note: Tax rates per $100 of assessed valuation.

Source: City of Sachse Budget Document.
Dallas & Collin Central Appraisal Districts.

City of Sachse, Texas

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Years

	2011	2012	2013	2014
Direct Rates:				
City of Sachse - Operating	0.51389	0.53389	0.59889	0.56889
City of Sachse - Debt Service	0.19193	0.17193	0.17193	0.20193
Total Direct Rate	0.70582	0.70582	0.77082	0.77082
Overlapping Rates:				
Garland Independent School District	1.25330	1.25330	1.25330	1.25330
Dallas County	0.60221	0.62333	0.62377	0.64341
Total Dallas County Entities	1.85551	1.87663	1.87707	1.89671
Wylie Independent School District	1.59000	1.64000	1.64000	1.64000
Collin County	0.32880	0.32630	0.32630	0.32630
Total Collin County Entities	1.91880	1.96630	1.96630	1.96630

Tax rates per $100 of assessed valuation.

Source: Dallas & Collin Central Appraisal Districts and City records.

2015	2016	2017	2018	2019	2020
0.55903	0.57228	0.56200	0.55307	0.52579	0.52579
0.21179	0.18500	0.19528	0.19421	0.19421	0.19421
0.77082	0.75728	0.75728	0.74728	0.72000	0.72000
1.25330	1.35330	1.46000	0.14600	1.46000	1.39000
0.65388	0.66275	0.65470	0.65674	0.65650	0.64660
1.90718	2.01605	2.11470	0.80274	2.11650	2.03660
1.64000	1.64000	1.64000	1.64000	1.64000	1.53840
0.31696	0.30696	0.28962	0.27206	0.26201	0.25617
1.95696	1.94696	1.92962	1.91206	1.90201	1.79457

The City of
SACHSE

City of Sachse, Texas

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

	2020			2011		
Property Tax Payer	**Taxable Assessed Value**	**Rank**	**% of Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**% of Taxable Assessed Value**
WW Woodbridge LP	$ 56,452,880	1	2.26%	$ -	n/a	-
Intergerman Woodbridge Villas LP	28,203,640	2	1.13%	-	n/a	-
CSL Sachse 2017 LLC	22,145,780	3	0.89%	-	n/a	-
Wal-Mart Real Estate Business Trust	11,155,665	4	0.45%	-	n/a	-
Realty Income Properties 27 LLC	7,168,497	5	0.29%	-	n/a	-
Oncor Electric Delivery Company	7,050,240	6	0.28%	-	n/a	-
Valk Don	6,350,000	7	0.25%	-	n/a	-
Clermont Avenue IV LLC	6,175,965	8	0.25%	-	n/a	-
DREH LLC	5,862,820	9	0.23%	-	n/a	-
Wal-Mart Stores Texas LLC	5,514,623	10	0.22%	-	n/a	-
Woodbridge Villas LLC	-	n/a	-	11,255,831	1	0.91%
Realty Assoc Iowa Corp	-	n/a	-	9,150,000	2	0.74%
Jackson Meadows Partners	-	n/a	-	5,903,020	3	0.48%
Oncor Electric/Texas Utilities	-	n/a	-	4,967,390	4	0.40%
Woodbridge Prop Inc	-	n/a	-	4,169,458	5	0.34%
Woodbridge Properties	-	na	-	4,029,961	6	0.33%
Verizon	-	n/a	-	3,578,340	7	0.29%
North Texas Municipal Water Dis	-	n/a	-	3,393,402	8	0.27%
Woodbridge Shopping Center	-	n/a	-	3,017,390	9	0.24%
Walgreen's	-	n/a	-	2,850,640	10	0.23%
Total	$ 156,080,110		6.25%	$ 52,315,432		4.24%
Total Assessed Valuation	$ 2,497,215,084		100%	$ 1,234,165,298		100%

Source: Tax Office.

Note: Property is assessed as of January 1 and certified to the City by July 25 for taxable values.

City of Sachse, Texas

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Years

	2011	2012	2013	2014
Tax levy	$ 8,603,645	$ 9,444,654	$ 9,599,026	$ 9,864,675
Current tax collected	$ 8,510,978	$ 9,389,665	$ 9,444,279	$ 9,765,245
Percent of current tax collections	98.92%	99.42%	98.39%	98.99%
Delinquent tax collections	$ 91,554	$ 53,484	$ 153,078	$ 97,556
Total tax collections	$ 8,602,532	$ 9,443,149	$ 9,597,357	$ 9,862,801
Total collections as a percentage of levy	100.0%	100.0%	100.0%	100.0%

Source: Dallas and Collin County reports.

2015	2016	2017	2018	2019	2020
$ 10,773,241	$ 12,186,445	$ 13,926,966	$ 15,368,350	$ 16,686,912	$ 17,639,496
$ 10,649,420	$ 12,107,169	$ 13,844,380	$ 15,345,295	$ 16,606,826	$ 17,529,121
98.85%	99.3%	99.4%	99.8%	99.5%	99.4%
$ 118,252	$ 71,500	$ 72,830	$ 8,676	$ 44,247	$ -
$ 10,767,672	$ 12,178,669	$ 13,917,210	$ 15,353,971	$ 16,651,073	$ 17,529,121
99.9%	99.9%	99.9%	99.9%	99.8%	99.4%

City of Sachse, Texas

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Years

	2011	2012	2013	2014
Governmental activities:				
General Obligation Bonds	$ 39,235,000	$ 38,455,000	$ 37,595,000	$ 36,575,000
Premium	-	-	-	-
Discounts	(35,622)	(26,097)	(16,572)	(14,463)
Certificates of Obligation	915,000	750,000	575,000	470,000
Tax Note	-	-	-	-
Business-type activities:				
General Obligation Bonds	$ -	$ -	$ -	$ -
Certificates of Obligation	1,210,000	1,120,000	1,030,000	935,000
Premium	-	-	-	-
Total primary government	$ 41,324,378	$ 40,298,903	$ 39,183,428	$ 37,965,537
Percentage of personal income (1)	7.87%	6.24%	6.00%	5.09%
Per capita (1)	$ 1,950	$ 1,905	$ 1,836	$ 1,559

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) Personal income and population data is disclosed on page 137.

2015	2016	2017	2018	2019	2020
$ 36,915,000	$ 35,665,000	$ 33,500,000	$ 31,575,000	$ 28,970,000	$ 27,315,000
434,215	2,614,608	2,848,622	2,666,428	2,467,981	2,269,534
(14,354)	(4,829)	(3,720)	(2,611)	(2,437)	(1,264)
-	-	-	10,350,000	10,080,000	9,800,000
-	1,200,000	1,040,000	875,000	710,000	1,295,000
$ -	$ 620,000	$ 12,670,000	$ 12,490,000	$ 12,265,000	$ 12,035,000
835,000	110,000	620,000	500,000	380,000	255,000
-	66,671	495,643	456,686	427,845	399,004
$ 38,169,861	$ 40,271,450	$ 51,170,545	$ 58,910,503	$ 55,298,389	$ 53,367,274
4.50%	4.48%	5.10%	5.92%	5.11%	5.64%
$ 1,553	$ 1,526	$ 1,905	$ 2,237	$ 2,205	$ 2,121

City of Sachse, Texas

RATIO OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Years

	2011	2012	2013	2014
NET TAXABLE ASSESSED VALUE				
All property	$ 1,234,165,298	$ 1,238,561,173	$ 1,248,799,416	$ 1,300,626,676
NET BONDED DEBT (1)				
Gross bonded debt	41,324,378	40,298,903	39,183,428	37,965,537
Less debt service funds	-	-	-	-
Net Bonded Debt	$ 41,324,378	$ 40,298,903	$ 39,183,428	$ 37,965,537
RATIO OF NET BONDED DEBT TO ASSESSED VALUE	3.35%	3.25%	3.14%	2.92%
POPULATION	20,570	20,570	20,780	23,756
NET BONDED DEBT PER CAPITA	$ 2,009	$ 1,959	$ 1,886	$ 1,598

Note: Details regarding the City's oustanding debt can be found in the notes to the financial statements.
(1) This is the general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums.

2015	2016	2017	2018	2019	2020
$ 1,424,592,045	$ 1,635,579,749	$ 1,873,284,967	$ 2,158,595,689	$ 2,366,146,541	$ 2,497,215,084
38,169,861	40,271,450	51,170,545	58,910,503	55,298,389	53,367,274
-	-	-	-	-	-
$ 38,169,861	$ 40,271,450	$ 51,170,545	$ 58,910,503	$ 55,298,389	$ 53,367,274
2.68%	2.46%	2.73%	2.73%	2.34%	2.14%
23,756	24,554	24,777	24,720	24,910	25,040
$ 1,607	$ 1,640	$ 2,065	$ 2,383	$ 2,220	$ 2,131

City of Sachse, Texas

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

September 30, 2020

Governmental Unit	Gross Bonded Debt Outstanding (a)	Estimated Percentage Applicable (b)	Estimated Share of Overlapping Debt (a * b)
Debt repaid with property taxes			
Wylie I.S.D	$ 446,291,921	13.26%	$ 59,178,309
Garland I.S.D	511,020,000	6.58%	33,625,116
Collin County	487,405,000	0.70%	3,411,835
Dallas County	130,445,000	0.52%	678,314
Dallas County Hospital District	622,000,000	0.52%	3,234,400
Dallas County Schools	27,204,352	0.52%	141,463
Collin County Community College District	524,590,000	0.70%	3,672,130
Dallas County Community College District	135,375,000	0.52%	703,950
Subtotal, overlapping debt			104,645,516
City direct debt			40,678,270
Total direct and overlapping debt			$ 145,323,786

Sources: Taxing Entities and City, Dallas Central Appraisal District, and the Collin County Appraisal District.

* For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

City of Sachse, Texas

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Year	Estimated Population	Personal Income	Per Capita Personal Income	School Enrollment		Unemployment Rate	
				Garland ISD	Wylie ISD	Dallas County	Collin County
2011	20,570	$ 525,152,100	25,530	57,833	12,548	8.4%	7.1%
2012	20,570	646,206,550	31,415	58,151	12,939	6.7%	5.7%
2013	20,780	652,803,700	31,415	58,059	13,305	6.9%	6.4%
2014	23,756	746,294,740	31,415	57,704	13,902	6.9%	6.4%
2015	23,756	837,779,096	35,266	57,436	14,557	4.1%	3.5%
2016	24,554	839,648,584	34,196	58,059	14,280	4.1%	3.7%
2017	24,777	937,214,802	37,826	58,059	15,138	3.4%	3.3%
2018	24,720	942,870,270	38,142	57,517	16,466	3.6%	3.2%
2019	24,910	1,082,065,490	43,439	56,471	17,252	3.2%	2.9%
2020	25,040	946,587,120	37,803	55,848	17,392	8.2%	6.5%

Sources: Estimated population provided by the TCOG.
Per Capita Income provided by North Central Texas Council of Governments.
Garland & Wylie Independent School Districts.
Unemployment information provided by the Texas Workforce Commission.

City of Sachse, Texas

PRINCIPAL EMPLOYERS

Current Fiscal Year and Nine Years Ago

	2020			2011		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
Garland ISD	432	1	3.19%	391	1	4.73%
Wal-Mart Supercenter	260	2	1.92%	-	n/a	-
City of Sachse	175	3	1.29%	150	2	1.81%
Wylie ISD	130	5	0.96%	65	4	0.79%
Kroger	87	4	0.64%	136	3	1.65%
Whataburger	70	6	0.52%	32	6	0.39%
McDonald's	45	7	0.33%	-	n/a	-
Oxford Glen Memory Care	44	8	0.32%	-	n/a	-
LA Fitness	41	9	0.30%	-	n/a	-
Sachse Vet Hospital	20	10	0.15%	25	7	0.30%
Steak Kountry	-	n/a	-	34	5	0.41%
Taco Bueno	-	n/a	-	24	8	0.29%
American National Bank	-	n/a	-	20	9	0.24%
Discount Tire	-	n/a	-	14	10	0.17%
Total	1,304		9.63%	891		10.78%
Total City Employment	13,544			8,266		

Source: Top ten employers and employee count provided by Sachse Economic Development Corporation.

City of Sachse, Texas

FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government and adminstration	12	11	11	11	11	11	11	11	11	14
Public safety	69	79	79	80	85	85	88	89	92	89
Public works	12	11	11	11	10	10	11	11	11	10
Culture and recreation	15	16	16	16	15	15	16	16	17	17
Water and sewer	20	20	20	20	21	21	21	22	22	24
Community development	12	11	11	11	11	12	11	11	11	10
Economic development	1	1	1	1	1.5	1.5	1.5	2.5	3	3
Total	141	149	149	150	154.5	155.5	159.5	162.5	165.5	166.0

Sources: Various City departments.

City of Sachse, Texas

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014
Public safety				
Police				
Number of employees	48	48	44	50
Number of violations (citations)	2,160	2,568	1,260	2,246
Fire				
Number of employees	44	44	34	34
Number of volunteers	0	0	0	0
Number of fire runs	340	197	456	272
Number of EMS runs	732	811	766	802
Public works				
Streets (miles)	125	125	130	135
Building permits issued	89	135	135	246
Cultural and recreational				
Parks and recreation				
Park maintain & operate per acre	114	139	149	149
Participants in parks programs	4,660	5,010	5,109	5,186
Participants in senior program	15,392	15,700	18,455	19,500
Library				
Volumes in collection	38,161	38,761	40,169	43,935
Water and sewer				
Number of water connections	7,121	7,285	7,239	7,370
Number of sewer connections	6,743	6,874	6,999	7,113
Average daily water consumption[a]	3,146	2,464	2,509	2,776
Maximum storage capacity[a]	6.9	6.9	6.9	6.9

Sources: Various City departments.

2015	2016	2017	2018	2019	2020
50	52	51	51	51	51
3,846	1,879	2,155	2,272	5,360	1,710
35	35	36	37	37	35
0	0	0	0	0	0
394	600	705	819	831	769
909	1,187	1,359	1,359	1,689	1,554
135	135	137	137	130	130
275	289	291	219	190	124
152	152	156	156	156	160
5,480	9,600	9,750	10,043	10,546	12,100
20,445	23,455	26,600	39,853	37,674	17,614
41,203	41,470	41,948	42,750	44,524	35,869
7,950	8,239	8,472	8,507	9,195	8,795
7,468	7,384	7,972	8,105	8,761	8,207
2,412	2,573	2,386	2,814	2,757	2,944
6.9	6.9	6.9	6.9	8.2	8.2

City of Sachse, Texas

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Years

Function/Program	2011	2012	2013	2014
Public safety				
Police stations	1	1	1	1
Police patrol units	22	25	25	25
Fire stations	2	2	2	2
Police motorcycle units	2	2	2	2
Public works				
Streets-paved (miles)	125	125	130	135
Cultural and recreational				
Parks (acres)	114	139	149	154
Playgrounds (1)	5	5	5	5
Library	1	1	1	1
Senior center	1	1	1	1
Water and sewer				
Fire hydrants	753	786	865	933
Ground storage facilities	2	2	2	4
Elevated storage facilities	2	2	2	2
Lift stations	4	4	4	4

Sources: Various City departments.

(1) Does not include HOA playgrounds.

2015	2016	2017	2018	2019	2020
1	1	1	1	1	1
27	27	27	27	25	26
2	2	2	2	2	2
2	2	2	2	2	2
135	135	137	137	130	122
155	155	156	156	149	160
6	6	6	6	6	6
1	1	1	1	1	1
1	1	1	1	1	1
970	935	970	970	1,011	996
4	4	4	4	4	4
2	2	2	2	3	3
4	4	4	4	5	6